

**State:** Arkansas **First Filing Company:** The Travelers Home and Marine Insurance Company, ...

**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

**Product Name:** Quantum Homeowners/High Value Homeowners

**Project Name/Number:** 636685/

## Filing at a Glance

Companies: The Travelers Home and Marine Insurance Company  
Travelers Commercial Insurance Company

Product Name: Quantum Homeowners/High Value Homeowners

State: Arkansas

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate

Date Submitted: 05/28/2014

SERFF Tr Num: TRVA-129563451

SERFF Status: Closed-Filed

State Tr Num:

State Status:

Co Tr Num: 2014-05-0106

Effective Date 07/11/2014

Requested (New):

Effective Date 08/30/2014

Requested (Renewal):

Author(s): Frank Roback, Merline Irving, Jaime Jewett, Jennifer Graves

Reviewer(s): Becky Harrington (primary)

Disposition Date: 07/09/2014

Disposition Status: Filed

Effective Date (New): 07/11/2014

Effective Date (Renewal): 08/30/2014

State Filing Description:

Commish review again 6/27/14;

State: Arkansas

First Filing Company: The Travelers Home and Marine Insurance Company, ...

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: Quantum Homeowners/High Value Homeowners

Project Name/Number: 636685/

## General Information

Project Name: 636685

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 07/09/2014

State Status Changed: 06/27/2014

Created By: Jennifer Graves

Corresponding Filing Tracking Number:

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Jennifer Graves

Filing Description:

With this filing we are making revisions as detailed in the accompanying documentaion.

## Company and Contact

### Filing Contact Information

Jennifer Graves, Regulatory Analyst

1 Tower Sq.

Hartford, CT 06183

jagraves@travelers.com

860-277-7775 [Phone]

### Filing Company Information

The Travelers Home and Marine Insurance Company

One Tower Square

Hartford, CT 06183

(860) 277-7395 ext. [Phone]

CoCode: 27998

Group Code: 3548

Group Name: Travelers

FEIN Number: 35-1838079

State of Domicile: Connecticut

Company Type:

Property/Casualty

State ID Number:

Travelers Commercial Insurance Company

One Tower Square

Hartford, CT 06183

(860) 277-7395 ext. [Phone]

CoCode: 36137

Group Code: 3548

Group Name: Travelers

FEIN Number: 06-1286268

State of Domicile: Connecticut

Company Type:

Property/Casualty

State ID Number:

## Filing Fees

Fee Required?

Yes

Fee Amount:

\$100.00

Retaliatory?

No

Fee Explanation:

\$100.00 per Rate filing

Per Company:

No

Company	Amount	Date Processed	Transaction #
The Travelers Home and Marine Insurance Company	\$100.00	05/28/2014	82581428

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/09/2014	07/09/2014

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	06/27/2014	06/27/2014
No response necessary	Becky Harrington	06/13/2014	06/13/2014
Pending Industry Response	Becky Harrington	05/28/2014	05/28/2014

#### Response Letters

Responded By	Created On	Date Submitted
Jennifer Graves	07/08/2014	07/08/2014
Jennifer Graves	06/17/2014	06/17/2014
Jennifer Graves	06/06/2014	06/13/2014

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Severe Storm Information	Note To Filer	Becky Harrington	06/13/2014	06/13/2014

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

## Disposition

Disposition Date: 07/09/2014  
Effective Date (New): 07/11/2014  
Effective Date (Renewal): 08/30/2014  
Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Travelers Home and Marine Insurance Company	%	4.950%	\$1,352,307	19,021	\$27,319,329	17.810%	0.000%
Travelers Commercial Insurance Company	%	6.160%	\$41,683	548	\$676,664	17.040%	0.000%

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing 0.000%

Overall Percentage Rate Impact For This Filing 0.000%

Effect of Rate Filing-Written Premium Change For This Program \$1,393,990

Effect of Rate Filing - Number of Policyholders Affected 19,569

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document (revised)	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	H-1 Homeowners Abstract		Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document (revised)	FILING PACKAGE	Filed	Yes
Supporting Document	FILING PACKAGE		Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
	FILING PACKAGE		Yes

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document			
Supporting Document	OBJECTION RESPONSE	Filed	Yes
Supporting Document	OBJECTION RESPONSE 2	Filed	No
Supporting Document	6-27-14 OBJECTION RESPONSE	Filed	Yes
Rate (revised)	HO RATE MANUAL PAGES	Filed	Yes
Rate	HO RATE MANUAL PAGES		Yes
Rate	HORATE MANUAL PAGES	Filed	Yes
Rate	HO RATE MANUAL PAGES	Filed	Yes
Rate	HO RATE MANUAL PAGES	Filed	Yes
Rate (revised)	HVH RATE MANUAL PAGES	Filed	Yes
Rate	HVH RATE MANUAL PAGES		Yes
Rate	HVH RATE MANUAL PAGES	Filed	Yes
Rate	HVH RATE MANUAL PAGES	Filed	Yes

**State:** Arkansas**First Filing Company:** The Travelers Home and Marine Insurance Company, ...**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations**Product Name:** Quantum Homeowners/High Value Homeowners**Project Name/Number:** 636685/

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/27/2014
Submitted Date	06/27/2014
Respond By Date	

Dear Jennifer Graves,

**Introduction:**

*This will acknowledge receipt of the recent response and reconsideration by the Commissioner.*

*Please amend the overall increase to 5%.*

*Provide revised HPCS forms and effective dates if needed.*

**Conclusion:**

*NOTICE regarding, corrections to filings and scrivener's Errors:*

*Arkansas does not allow the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."*

*Sincerely,*

*Becky Harrington*

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**State:** Arkansas **First Filing Company:** The Travelers Home and Marine Insurance Company, ...

**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

**Product Name:** Quantum Homeowners/High Value Homeowners

**Project Name/Number:** 636685/

## Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	06/13/2014
Submitted Date	06/13/2014
Respond By Date	

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Dear Jennifer Graves,

**Introduction:**

*The requested increase has been reviewed by the Commissioner.*

*He has asked that the filing either be withdrawn and re-filed in 3-6 months, or review suspended until that time. He is willing to reconsider the request when additional loss information becomes available. Please note that all applicable file and use waiting periods do not commence running until a disposition has been entered.*

**Conclusion:**

*NOTICE regarding, corrections to filings and scrivener's Errors:*

*Arkansas does not allow the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."*

*In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.*

*Sincerely,*

*Becky Harrington*

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**State:** Arkansas **First Filing Company:** The Travelers Home and Marine Insurance Company, ...

**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

**Product Name:** Quantum Homeowners/High Value Homeowners

**Project Name/Number:** 636685/

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/28/2014
Submitted Date	05/28/2014
Respond By Date	

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Dear Jennifer Graves,

### Introduction:

*This will acknowledge receipt of the captioned filing.*

### Objection 1

*- HPCS-Homeowners Premium Comparison Survey (Supporting Document)*

*Comments:*

*Form HPCS must be submitted in both Excel spreadsheet and pdf format. Please attach an Excel version.*

### Objection 2

*- FILING PACKAGE (Supporting Document)*

*Comments: Provide additional supporting justification for the changes to the roof covering factors and loss discount factors.*

### Objection 3

*- FILING PACKAGE (Supporting Document)*

*Comments: Provide the impact of the changes to roof covering and loss free discount factors. Include the number of insureds effected by each change.*

### Objection 4

*Comments: Please provide any preliminary loss figures available due to the April tornado.*

### Objection 5

*Comments: Please include effective dates under the General Information tab.*

### Conclusion:

*NOTICE regarding, corrections to filings and scrivener's Errors:*

*Arkansas does not allow the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."*

*In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.*

*Sincerely,*

*Becky Harrington*



State:	Arkansas	First Filing Company:	The Travelers Home and Marine Insurance Company, ...
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Quantum Homeowners/High Value Homeowners		
Project Name/Number:	636685/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/08/2014
Submitted Date	07/08/2014

Dear Becky Harrington,

**Introduction:**

In response to your inquiry we respectfully submit the following response:

**Response 1**

**Comments:**

We have revised the overall rate impact to the Arkansas Quantum Homeowners and High Value Homeowners filing to 4.98%.

**Changed Items:**

Supporting Document Schedule Item Changes	
Satisfied - Item:	H-1 Homeowners Abstract
Comments:	please see attached.
Attachment(s):	THM H-1.pdf ACC H-1 .pdf
Previous Version	
Satisfied - Item:	H-1 Homeowners Abstract
Comments:	please see attached.
Attachment(s):	ACC H-1 .pdf THM H-1.pdf

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	H-1 Homeowners Abstract
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	THM H-1.pdf ACC H-1 .pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>H-1 Homeowners Abstract</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>ACC H-1 .pdf THM H-1.pdf</i>

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	AR QTM HO Survey - THM NEW.xls AR QTM HO Survey - THM NEW.pdf AR QTM HO Survey - ACC NEW.xls AR QTM HO Survey - ACC NEW.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf AR QTM HO Survey - ACC.xls AR QTM HO Survey - THM.xls</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf</i>

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	H-1 Homeowners Abstract
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	THM H-1.pdf ACC H-1 .pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>H-1 Homeowners Abstract</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>ACC H-1 .pdf THM H-1.pdf</i>

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	AR QTM HO Survey - THM NEW.xls AR QTM HO Survey - THM NEW.pdf AR QTM HO Survey - ACC NEW.xls AR QTM HO Survey - ACC NEW.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf AR QTM HO Survey - ACC.xls AR QTM HO Survey - THM.xls</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf</i>

<b>Satisfied - Item:</b>	FILING PACKAGE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO 7-11-14_ Ver 3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>FILING PACKAGE</i>

State:	Arkansas	First Filing Company:	The Travelers Home and Marine Insurance Company, ...
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Quantum Homeowners/High Value Homeowners		
Project Name/Number:	636685/		

Comments:	PLEASE SEE ATTACHED.
Attachment(s):	AR QTM HO 6-27-14_ Ver 1.pdf AR QTM HO 7-11-14_ Ver 2.pdf
Previous Version	
Satisfied - Item:	FILING PACKAGE
Comments:	PLEASE SEE ATTACHED.
Attachment(s):	AR QTM HO 6-27-14_ Ver 1.pdf

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	H-1 Homeowners Abstract
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	THM H-1.pdf ACC H-1 .pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>H-1 Homeowners Abstract</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>ACC H-1 .pdf THM H-1.pdf</i>
<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	AR QTM HO Survey - THM NEW.xls AR QTM HO Survey - THM NEW.pdf AR QTM HO Survey - ACC NEW.xls AR QTM HO Survey - ACC NEW.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf AR QTM HO Survey - ACC.xls AR QTM HO Survey - THM.xls</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	<i>please see attached.</i>
<b>Attachment(s):</b>	<i>AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf</i>
<b>Satisfied - Item:</b>	FILING PACKAGE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO 7-11-14_ Ver 3.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>FILING PACKAGE</i>

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO 6-27-14_ Ver 1.pdf AR QTM HO 7-11-14_ Ver 2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	FILING PACKAGE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO 6-27-14_ Ver 1.pdf

<b>Satisfied - Item:</b>	6-27-14 OBJECTION RESPONSE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO EFF 7-11-14 Response.pdf

No Form Schedule items changed.

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	HO RATE MANUAL PAGES	RULE 301.A.1-1	Replacement		07/08/2014 By: Jennifer Graves
<i>Previous Version</i>					
1	HO RATE MANUAL PAGES	RULE 301.A.1-1	Replacement		05/28/2014 By: Jennifer Graves
2	HVH RATE MANUAL PAGES	RULE 301.A.1-1	Replacement		07/08/2014 By: Jennifer Graves
<i>Previous Version</i>					
2	HVH RATE MANUAL PAGES	RULE 301.A.1-1	Replacement		05/28/2014 By: Jennifer Graves

**Conclusion:**

Thank you for your continued interest in our filings.

Sincerely,

Jennifer Graves

State:	Arkansas	First Filing Company:	The Travelers Home and Marine Insurance Company, ...
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Quantum Homeowners/High Value Homeowners		
Project Name/Number:	636685/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/17/2014
Submitted Date	06/17/2014

Dear Becky Harrington,

**Introduction:**

In response to your recent inquiry we respectfully submit the following response:

**Response 1**

**Comments:**

Attached please find he requested loss information.

**Changed Items:**

Supporting Document Schedule Item Changes	
Satisfied - Item:	OBJECTION RESPONSE 2
Comments:	REQUESTED LOSS INFORMATION ATTACHED.
Attachment(s):	travcomm.pdf thm.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you.

Sincerely,

Jennifer Graves

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/06/2014
Submitted Date	06/13/2014

Dear Becky Harrington,

### Introduction:

In response to your recent inquiry, we respectfully submit the following response.

### Response 1

#### Comments:

The HPSCS form has been submitted in both Excel and pdf format.

### Related Objection 1

Applies To:

- HPSCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments:

Form HPSCS must be submitted in both Excel spreadsheet and pdf format. Please attach an Excel version.

### Changed Items:

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	HPSCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf AR QTM HO Survey - ACC.xls AR QTM HO Survey - THM.xls
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	HPSCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	AR QTM HO Survey - ACC.pdf AR QTM HO Survey - THM.pdf

No Form Schedule items changed.



State:	Arkansas	First Filing Company:	The Travelers Home and Marine Insurance Company, ...
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Quantum Homeowners/High Value Homeowners		
Project Name/Number:	636685/		

No Rate/Rule Schedule items changed.

## Response 2

### Comments:

please see loss support for our change

## Related Objection 2

Applies To:

- FILING PACKAGE (Supporting Document)

Comments: Provide additional supporting justification for the changes to the roof covering factors and loss discount factors.

## Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	FILING PACKAGE
Comments:	PLEASE SEE ATTACHED.
Attachment(s):	AR QTM HO 6-27-14_Ver 1.pdf AR QTM HO 7-11-14_Ver 2.pdf
Previous Version	
Satisfied - Item:	FILING PACKAGE
Comments:	PLEASE SEE ATTACHED.
Attachment(s):	AR QTM HO 6-27-14_Ver 1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 3

### Comments:

Please see attached.

## Related Objection 3

Applies To:

- FILING PACKAGE (Supporting Document)

Comments: Provide the impact of the changes to roof covering and loss free discount factors. Include the number of insureds effected by each change.

State:	Arkansas	First Filing Company:	The Travelers Home and Marine Insurance Company, ...
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	Quantum Homeowners/High Value Homeowners		
Project Name/Number:	636685/		

**Changed Items:**

Supporting Document Schedule Item Changes	
Satisfied - Item:	FILING PACKAGE
Comments:	PLEASE SEE ATTACHED.
Attachment(s):	AR QTM HO 6-27-14_Ver 1.pdf AR QTM HO 7-11-14_Ver 2.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>FILING PACKAGE</i>
Comments:	<i>PLEASE SEE ATTACHED.</i>
Attachment(s):	<i>AR QTM HO 6-27-14_Ver 1.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 4**

**Comments:**

Please reference our submission of Arkansas Severe Storms Report on CAT40.

**Related Objection 4**

Comments: Please provide any preliminary loss figures available due to the April tornado.

**Changed Items:**

Supporting Document Schedule Item Changes	
Satisfied - Item:	OBJECTION RESPONSE
Comments:	PLEASE SEE ATTACHED.
Attachment(s):	AR QTM HO EFF 6-27-14 Response.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 5**

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

**Comments:**

Effective dates have been included in a Post Submission Update.

**Related Objection 5**

Comments: Please include effective dates under the General Information tab.

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	FILING PACKAGE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO 6-27-14_Ver 1.pdf AR QTM HO 7-11-14_Ver 2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>FILING PACKAGE</i>
<b>Comments:</b>	<i>PLEASE SEE ATTACHED.</i>
<b>Attachment(s):</b>	<i>AR QTM HO 6-27-14_Ver 1.pdf</i>

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	FILING PACKAGE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO 6-27-14_Ver 1.pdf AR QTM HO 7-11-14_Ver 2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>FILING PACKAGE</i>
<b>Comments:</b>	<i>PLEASE SEE ATTACHED.</i>
<b>Attachment(s):</b>	<i>AR QTM HO 6-27-14_Ver 1.pdf</i>

<b>Satisfied - Item:</b>	OBJECTION RESPONSE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO EFF 6-27-14 Response.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

**Conclusion:**

Thank you for your continued interest in our filings.

Sincerely,

Jennifer Graves

**State:** Arkansas**First Filing Company:** The Travelers Home and Marine Insurance Company, ...**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations**Product Name:** Quantum Homeowners/High Value Homeowners**Project Name/Number:** 636685/

## Note To Filer

**Created By:**

Becky Harrington on 06/13/2014 10:26 AM

**Last Edited By:**

Becky Harrington

**Submitted On:**

07/09/2014 08:12 AM

**Subject:**

Severe Storm Information

**Comments:**

Information requested as supporting information for a filing by the Compliance division, must be provided pursuant to ACA 23-67-211 and Rule 23. It is the company's responsibility to provide the information regardless of whether it is available elsewhere within the department.

The information will be treated as confidential upon the company's request and if submitted through SERFF as such.

State: Arkansas

First Filing Company: The Travelers Home and Marine Insurance Company, ...

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: Quantum Homeowners/High Value Homeowners

Project Name/Number: 636685/

## Post Submission Update Request Processed On 07/09/2014

Status: Allowed

Created By: Jennifer Graves

Processed By: Becky Harrington

Comments:

### Company Rate Information:

Company Name:The Travelers Home and Marine Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	4.950%	9.800%
Written Premium Change for this Program	\$1352307	\$2677294
Maximum %Change (where required)	17.810%	23.740%

Company Name:Travelers Commercial Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	6.160%	11.110%
Written Premium Change for this Program	\$41683	\$75177
Maximum %Change (where required)	17.040%	22.840%

**State:** Arkansas**First Filing Company:** The Travelers Home and Marine Insurance Company, ...**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations**Product Name:** Quantum Homeowners/High Value Homeowners**Project Name/Number:** 636685/

## Post Submission Update Request Processed On 06/13/2014

Status: Allowed  
Created By: Jennifer Graves  
Processed By: Becky Harrington  
Comments:

### General Information:

Field Name	Requested Change	Prior Value
Effective Date Requested (New)	07/11/2014	
Effective Date Requested (Renew)	08/30/2014	

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	File & Use
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	9.920%
<b>Effective Date of Last Rate Revision:</b>	06/04/2013
<b>Filing Method of Last Filing:</b>	File & Use

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
The Travelers Home and Marine Insurance Company	%	4.950%	\$1,352,307	19,021	\$27,319,329	17.810%	0.000%
Travelers Commercial Insurance Company	%	6.160%	\$41,683	548	\$676,664	17.040%	0.000%



<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 07/09/2014	HO RATE MANUAL PAGES	RULE 301.A.1-1	Replacement		ACC_Base Rates.pdf
2	Filed 07/09/2014	HORATE MANUAL PAGES	RULE 301.A.4-44	Replacement		HO Residence Variables PG 44.pdf
3	Filed 07/09/2014	HO RATE MANUAL PAGES	RULE 301.A.5-8	Replacement		HO Household Variables pg 8.pdf
4	Filed 07/09/2014	HO RATE MANUAL PAGES	RULE 301.A.7-1-7-2	Replacement		HO Account discount 7-1-7-2.pdf
5	Filed 07/09/2014	HVH RATE MANUAL PAGES	RULE 301.A.1-1	Replacement		ACC_Base Rates.pdf
6	Filed 07/09/2014	HVH RATE MANUAL PAGES	RULE 301.A.4-42	Replacement		HVH Residence Variables 4-42.pdf
7	Filed 07/09/2014	HVH RATE MANUAL PAGES	RULE 301.A.7-1-7-2	Replacement		HVH Account Discount 7-1-7-2.pdf

Rule 301.A.1 Factors

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1256.030	117.900	159.820	337.730	44.960
HO-4	242.070	36.920	122.070	20.480	6.620
HO-6	49.880	6.650	41.640	214.610	12.540

**Rule 301.A.4 Factors**

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Architecture Shingles	1.000	1.000	1.000	1.000	1.000
Asphalt Fiberglass Composite	1.000	1.000	1.000	1.000	1.000
Clay-Tile-Slate	0.950	1.000	1.000	1.000	1.000
Concrete Tile	0.950	1.000	1.000	1.000	1.000
Corrugated Steel - Metal	1.050	1.100	1.100	1.100	1.100
Flat Foam Composite	1.000	1.000	1.000	1.100	1.000
Flat Membrane	1.000	1.000	1.000	1.100	1.000
Flat Tar Gravel	1.000	1.000	1.000	1.100	1.000
Other	1.000	1.000	1.000	1.000	1.000
Wood Shake	1.050	1.000	1.000	1.000	1.000
Wood Shingle	1.050	1.000	1.000	1.000	1.000

Rule 301.A.5 Factors

Loss Free Discount						
Form	Loss Free Years	P1	P2	P3	P5	P6
HO-3	<3	1.000	1.000	1.000	1.000	1.000
HO-3	= or >3 but <5	0.758	0.851	0.716	0.773	0.675
HO-3	= or >5	0.758	0.851	0.716	0.773	0.675
HO-4	<3	1.000	1.000	1.000	1.000	1.000
HO-4	= or >3 but <5	0.526	0.544	0.469	0.667	0.442
HO-4	= or >5	0.526	0.544	0.469	0.667	0.442
HO-6	<3	1.000	1.000	1.000	1.000	1.000
HO-6	= or >3 but <5	0.966	0.786	0.664	0.542	0.741
HO-6	= or >5	0.966	0.786	0.664	0.542	0.741

## Rule 301.A.7

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HO-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HO-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HO-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HO-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HO-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HO-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HO-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HO-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HO-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HO-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HO-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HO-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HO-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HO-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HO-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HO-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HO-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HO-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HO-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HO-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HO-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HO-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HO-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HO-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HO-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HO-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HO-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HO-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HO-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HO-3	Yes	No	No	No	No	No	0.704	0.753	0.867	0.847	0.865
HO-3	Yes	No	No	No	No	Yes	0.704	0.753	0.867	0.821	0.865
HO-3	Yes	No	No	No	Yes	No	0.704	0.753	0.867	0.839	0.865
HO-3	Yes	No	No	No	Yes	Yes	0.704	0.753	0.867	0.821	0.865
HO-3	Yes	No	No	Yes	No	No	0.697	0.746	0.859	0.839	0.857
HO-3	Yes	No	No	Yes	No	Yes	0.697	0.746	0.859	0.821	0.857
HO-3	Yes	No	No	Yes	Yes	No	0.697	0.746	0.859	0.831	0.857
HO-3	Yes	No	No	Yes	Yes	Yes	0.697	0.746	0.859	0.821	0.857

## Rule 301.A.7

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3	Yes	No	Yes	No	No	No	0.646	0.753	0.867	0.847	0.865
HO-3	Yes	No	Yes	No	No	Yes	0.646	0.753	0.867	0.821	0.865
HO-3	Yes	No	Yes	No	Yes	No	0.646	0.753	0.867	0.839	0.865
HO-3	Yes	No	Yes	No	Yes	Yes	0.646	0.753	0.867	0.821	0.865
HO-3	Yes	No	Yes	Yes	No	No	0.638	0.746	0.859	0.839	0.857
HO-3	Yes	No	Yes	Yes	No	Yes	0.638	0.746	0.859	0.821	0.857
HO-3	Yes	No	Yes	Yes	Yes	No	0.638	0.746	0.859	0.831	0.857
HO-3	Yes	No	Yes	Yes	Yes	Yes	0.638	0.746	0.859	0.821	0.857
HO-3	Yes	Yes	No	No	No	No	0.689	0.731	0.834	0.821	0.834
HO-3	Yes	Yes	No	No	No	Yes	0.689	0.731	0.834	0.809	0.834
HO-3	Yes	Yes	No	No	Yes	No	0.689	0.731	0.834	0.821	0.834
HO-3	Yes	Yes	No	No	Yes	Yes	0.689	0.731	0.834	0.800	0.834
HO-3	Yes	Yes	No	Yes	No	No	0.680	0.723	0.826	0.821	0.826
HO-3	Yes	Yes	No	Yes	No	Yes	0.680	0.723	0.826	0.800	0.826
HO-3	Yes	Yes	No	Yes	Yes	No	0.680	0.723	0.826	0.821	0.826
HO-3	Yes	Yes	No	Yes	Yes	Yes	0.680	0.723	0.826	0.800	0.826
HO-3	Yes	Yes	Yes	No	No	No	0.629	0.731	0.829	0.821	0.829
HO-3	Yes	Yes	Yes	No	No	Yes	0.629	0.731	0.829	0.809	0.829
HO-3	Yes	Yes	Yes	No	Yes	No	0.629	0.731	0.829	0.821	0.829
HO-3	Yes	Yes	Yes	No	Yes	Yes	0.629	0.731	0.829	0.800	0.829
HO-3	Yes	Yes	Yes	Yes	No	No	0.620	0.723	0.826	0.821	0.826
HO-3	Yes	Yes	Yes	Yes	No	Yes	0.620	0.723	0.826	0.800	0.826
HO-3	Yes	Yes	Yes	Yes	Yes	No	0.620	0.723	0.826	0.821	0.826
HO-3	Yes	Yes	Yes	Yes	Yes	Yes	0.620	0.723	0.826	0.800	0.826
HO-4	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-4	No	No	No	No	No	Yes	0.990	0.990	0.990	0.990	0.990
HO-4	No	No	No	No	Yes	No	0.990	0.990	0.990	0.990	0.990
HO-4	No	No	No	No	Yes	Yes	0.980	0.980	0.980	0.980	0.980
HO-4	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-4	No	No	No	Yes	No	Yes	0.980	0.980	0.980	0.980	0.980
HO-4	No	No	No	Yes	Yes	No	0.980	0.980	0.980	0.980	0.980
HO-4	No	No	No	Yes	Yes	Yes	0.970	0.970	0.970	0.970	0.970
HO-4	No	No	Yes	No	No	No	0.990	0.990	0.990	0.990	0.990
HO-4	No	No	Yes	No	No	Yes	0.980	0.980	0.980	0.980	0.980
HO-4	No	No	Yes	No	Yes	No	0.980	0.980	0.980	0.980	0.980
HO-4	No	No	Yes	No	Yes	Yes	0.970	0.970	0.970	0.970	0.970
HO-4	No	No	Yes	Yes	No	No	0.980	0.980	0.980	0.980	0.980
HO-4	No	No	Yes	Yes	No	Yes	0.970	0.970	0.970	0.970	0.970
HO-4	No	No	Yes	Yes	Yes	No	0.970	0.970	0.970	0.970	0.970
HO-4	No	No	Yes	Yes	Yes	Yes	0.961	0.961	0.961	0.961	0.961

*Quantum*® High Value Homeowners

**Rule 301.A.1 Factors**

Base Rate					
Form	P1	P2	P3	P5	P6
HV-3	1592.620	157.600	242.270	454.090	60.460
HV-6	118.800	8.930	56.870	291.220	16.840

**Rule 301.A.4 Factors**

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Architecture Shingles	1.000	1.000	1.000	1.000	1.000
Asphalt Fiberglass Composite	1.000	1.000	1.000	1.000	1.000
Clay-Tile-Slate	0.950	1.000	1.000	1.000	1.000
Concrete Tile	0.950	1.000	1.000	1.000	1.000
Corrugated Steel - Metal	1.050	1.100	1.100	1.100	1.100
Flat Foam Composite	1.000	1.000	1.000	1.100	1.000
Flat Membrane	1.000	1.000	1.000	1.100	1.000
Flat Tar Gravel	1.000	1.000	1.000	1.100	1.000
Other	1.000	1.000	1.000	1.000	1.000
Wood Shake	1.050	1.000	1.000	1.000	1.000
Wood Shingle	1.050	1.000	1.000	1.000	1.000



Quantum® High Value Homeowners

Rule 301.A.7

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HV-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HV-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HV-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HV-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HV-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HV-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HV-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HV-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HV-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HV-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HV-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HV-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HV-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HV-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HV-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HV-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HV-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HV-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HV-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HV-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HV-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HV-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HV-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HV-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HV-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HV-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HV-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HV-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HV-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HV-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HV-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HV-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HV-3	Yes	No	No	No	No	No	0.704	0.753	0.867	0.847	0.865
HV-3	Yes	No	No	No	No	Yes	0.704	0.753	0.867	0.821	0.865
HV-3	Yes	No	No	No	Yes	No	0.704	0.753	0.867	0.839	0.865
HV-3	Yes	No	No	No	Yes	Yes	0.704	0.753	0.867	0.821	0.865
HV-3	Yes	No	No	Yes	No	No	0.697	0.746	0.859	0.839	0.857
HV-3	Yes	No	No	Yes	No	Yes	0.697	0.746	0.859	0.821	0.857
HV-3	Yes	No	No	Yes	Yes	No	0.697	0.746	0.859	0.831	0.857
HV-3	Yes	No	No	Yes	Yes	Yes	0.697	0.746	0.859	0.821	0.857

Quantum® High Value Homeowners

Rule 301.A.7

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HV-3	Yes	No	Yes	No	No	No	0.646	0.753	0.867	0.847	0.865
HV-3	Yes	No	Yes	No	No	Yes	0.646	0.753	0.867	0.821	0.865
HV-3	Yes	No	Yes	No	Yes	No	0.646	0.753	0.867	0.839	0.865
HV-3	Yes	No	Yes	No	Yes	Yes	0.646	0.753	0.867	0.821	0.865
HV-3	Yes	No	Yes	Yes	No	No	0.638	0.746	0.859	0.839	0.857
HV-3	Yes	No	Yes	Yes	No	Yes	0.638	0.746	0.859	0.821	0.857
HV-3	Yes	No	Yes	Yes	Yes	No	0.638	0.746	0.859	0.831	0.857
HV-3	Yes	No	Yes	Yes	Yes	Yes	0.638	0.746	0.859	0.821	0.857
HV-3	Yes	Yes	No	No	No	No	0.689	0.731	0.834	0.821	0.834
HV-3	Yes	Yes	No	No	No	Yes	0.689	0.731	0.834	0.809	0.834
HV-3	Yes	Yes	No	No	Yes	No	0.689	0.731	0.834	0.821	0.834
HV-3	Yes	Yes	No	No	Yes	Yes	0.689	0.731	0.834	0.800	0.834
HV-3	Yes	Yes	No	Yes	No	No	0.680	0.723	0.826	0.821	0.826
HV-3	Yes	Yes	No	Yes	No	Yes	0.680	0.723	0.826	0.800	0.826
HV-3	Yes	Yes	No	Yes	Yes	No	0.680	0.723	0.826	0.821	0.826
HV-3	Yes	Yes	No	Yes	Yes	Yes	0.680	0.723	0.826	0.800	0.826
HV-3	Yes	Yes	Yes	No	No	No	0.629	0.731	0.829	0.821	0.829
HV-3	Yes	Yes	Yes	No	No	Yes	0.629	0.731	0.829	0.809	0.829
HV-3	Yes	Yes	Yes	No	Yes	No	0.629	0.731	0.829	0.821	0.829
HV-3	Yes	Yes	Yes	No	Yes	Yes	0.629	0.731	0.829	0.800	0.829
HV-3	Yes	Yes	Yes	Yes	No	No	0.620	0.723	0.826	0.821	0.826
HV-3	Yes	Yes	Yes	Yes	No	Yes	0.620	0.723	0.826	0.800	0.826
HV-3	Yes	Yes	Yes	Yes	Yes	No	0.620	0.723	0.826	0.821	0.826
HV-3	Yes	Yes	Yes	Yes	Yes	Yes	0.620	0.723	0.826	0.800	0.826
HV-6	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HV-6	No	No	No	No	No	Yes	0.990	0.990	0.990	0.990	0.990
HV-6	No	No	No	No	Yes	No	0.990	0.990	0.990	0.990	0.990
HV-6	No	No	No	No	Yes	Yes	0.980	0.980	0.980	0.980	0.980
HV-6	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HV-6	No	No	No	Yes	No	Yes	0.980	0.980	0.980	0.980	0.980
HV-6	No	No	No	Yes	Yes	No	0.980	0.980	0.980	0.980	0.980
HV-6	No	No	No	Yes	Yes	Yes	0.970	0.970	0.970	0.970	0.970
HV-6	No	No	Yes	No	No	No	0.990	0.990	0.990	0.990	0.990
HV-6	No	No	Yes	No	No	Yes	0.980	0.980	0.980	0.980	0.980
HV-6	No	No	Yes	No	Yes	No	0.980	0.980	0.980	0.980	0.980
HV-6	No	No	Yes	No	Yes	Yes	0.970	0.970	0.970	0.970	0.970
HV-6	No	No	Yes	Yes	No	No	0.980	0.980	0.980	0.980	0.980
HV-6	No	No	Yes	Yes	No	Yes	0.970	0.970	0.970	0.970	0.970
HV-6	No	No	Yes	Yes	Yes	No	0.970	0.970	0.970	0.970	0.970
HV-6	No	No	Yes	Yes	Yes	Yes	0.961	0.961	0.961	0.961	0.961

<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

## Supporting Document Schedules

<b>Satisfied - Item:</b>	H-1 Homeowners Abstract
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	THM H-1.pdf ACC H-1 .pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	07/09/2014

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	AR QTM HO Survey - THM NEW.xls AR QTM HO Survey - THM NEW.pdf AR QTM HO Survey - ACC NEW.xls AR QTM HO Survey - ACC NEW.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	07/09/2014

<b>Satisfied - Item:</b>	NAIC loss cost data entry document
<b>Comments:</b>	please see attached.
<b>Attachment(s):</b>	RF-1 THM_6-27-14.pdf RF-1 ACC_6-27-14.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	07/09/2014

<b>Satisfied - Item:</b>	FILING PACKAGE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO 7-11-14_ Ver 3.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	07/09/2014

<b>Satisfied - Item:</b>	OBJECTION RESPONSE
<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO EFF 6-27-14 Response.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	07/09/2014

<b>Satisfied - Item:</b>	6-27-14 OBJECTION RESPONSE
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<b>State:</b>	Arkansas	<b>First Filing Company:</b>	The Travelers Home and Marine Insurance Company, ...
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	Quantum Homeowners/High Value Homeowners		
<b>Project Name/Number:</b>	636685/		

<b>Comments:</b>	PLEASE SEE ATTACHED.
<b>Attachment(s):</b>	AR QTM HO EFF 7-11-14 Response.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	07/09/2014

# ARKANSAS INSURANCE DEPARTMENT

## FORM H-1 HOMEOWNERS ABSTRACT

**INSTRUCTIONS:** All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name The Travelers Home and Marine Insurance Company

NAIC # (including group #) 3548-27998

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Travelers sent questionnaires to policyholders whose policy was written prior to January 1, 2005 and Coverage A less than \$600,000. Our results were:

62% of the policyholders who received questionnaires responded

42% of those responding were under insured and

90% of those underinsured accepted the increased coverage

2. If you use a cost estimator (or similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

A Cost estimator is used for new business only to determine appropriate values for new business. It is not possible to estimate the impact of program business because some new homes would have been underinsured and others over insured when issued as new business.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

100% of the Dwelling Replacement Cost using costs associated with actual year built.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

The cost estimating systems furnishes the user with a guide for making general estimates of cost to replace specific types of residential construction. Annual changes are published based on residential cost index for zip codes and territories in Arkansas.

5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	Varies by Peril	%
b. Burglar Alarm	Varies by Peril	%
c. Smoke Alarm	Varies by Peril	%
d. Insured who has both homeowners and auto with your company	Varies by Peril	%
e. Deadbolt Locks	Varies by Peril	%
f. Window or Door Locks	Varies by Peril	%
g. Other (specify)	Varies by Peril	%
		%
		%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.

No

7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
HO-3	\$ 26,644,688
HO-4	\$ 490,579
HO-6	\$ 184,062

8. Do you write homeowner risks which have aluminum, steel, or vinyl siding? ☒ Yes ☐ No

9. Is there a surcharge on risks with wood heat? Yes

If yes, state the surcharge Varies by Peril

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge \_\_\_\_\_

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Peter Gulbrandsen

Signature

Peter Gulbrandsen

Printed Name

Vice President of Product Management

Title

(860) 277-8172

Telephone Number

PGULBRAN@travelers.com

Email Address

# ARKANSAS INSURANCE DEPARTMENT

## FORM H-1 HOMEOWNERS ABSTRACT

**INSTRUCTIONS:** All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Travelers Commercial Insurance Company

NAIC # (including group #) 3548-36137

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Travelers sent questionnaires to policyholders whose policy was written prior to January 1, 2005 and Coverage A less than \$600,000. Our results were:

62% of the policyholders who received questionnaires responded

42% of those responding were under insured and

90% of those underinsured accepted the increased coverage

2. If you use a cost estimator (or similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

A Cost estimator is used for new business only to determine appropriate values for new business. It is not possible to estimate the impact of program business because some new homes would have been underinsured and others over insured when issued as new business.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

100% of the Dwelling Replacement Cost using costs associated with actual year built.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

The cost estimating systems furnishes the user with a guide for making general estimates of cost to replace specific types of residential construction. Annual changes are published based on residential cost index for zip codes and territories in Arkansas.

5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	Varies by Peril	%
b. Burglar Alarm	Varies by Peril	%
c. Smoke Alarm	Varies by Peril	%
d. Insured who has both homeowners and auto with your company	Varies by Peril	%
e. Deadbolt Locks	Varies by Peril	%
f. Window or Door Locks	Varies by Peril	%
g. Other (specify)	Varies by Peril	%
		%
		%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.

No

7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
HO-3	\$ 644,527
HO-4	\$ 30,689
HO-6	\$ 1,448

8. Do you write homeowner risks which have aluminum, steel, or vinyl siding? ☒ Yes ☐ No

9. Is there a surcharge on risks with wood heat? Yes

If yes, state the surcharge Varies by Peril

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge \_\_\_\_\_

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Peter Gulbrandsen

Signature

Peter Gulbrandsen

Printed Name

Vice President of Product Management

Title

(860) 277-8172

Telephone Number

PGULBRAN@travelers.com

Email Address



NAIC Number:3548

Company Name:The Travelers Home and Marine Insurance Company

Contact Person:Jennifer Graves

Telephone No.:860-277-7775

Email Address:jagraves@travelers.com

Effective Date:7/11/2014

Homeowners Premium Comparison Survey Form

FORM HPCS - last modified August, 2005

USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK

Submit to:Arkansas Insurance Department

1200 West Third Street

Little Rock, AR 72201-1904

Telephone:501-371-2800

Email as an attachment toinsurance.pnc@arkansas.gov

You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$504.00	\$530.00	\$433.00	\$452.00	\$662.00	\$697.00	\$540.00	\$564.00	\$576.00	\$604.00	\$506.00	\$527.00	\$635.00	\$658.00	\$502.00	\$521.00	\$612.00	\$643.00
	\$120,000	\$613.00	\$644.00	\$528.00	\$550.00	\$811.00	\$852.00	\$661.00	\$690.00	\$706.00	\$739.00	\$619.00	\$644.00	\$790.00	\$817.00	\$617.00	\$641.00	\$750.00	\$786.00
	\$160,000	\$730.00	\$765.00	\$616.00	\$640.00	\$944.00	\$990.00	\$772.00	\$804.00	\$825.00	\$862.00	\$742.00	\$771.00	\$960.00	\$990.00	\$744.00	\$770.00	\$897.00	\$938.00
6	\$80,000	\$529.00	\$673.00	\$454.00	\$561.00	\$696.00	\$890.00	\$565.00	\$706.00	\$606.00	\$763.00	\$529.00	\$656.00	\$665.00	\$812.00	\$525.00	\$645.00	\$643.00	\$816.00
	\$120,000	\$644.00	\$818.00	\$554.00	\$683.00	\$852.00	\$1,087.00	\$693.00	\$863.00	\$743.00	\$933.00	\$649.00	\$802.00	\$828.00	\$1,004.00	\$647.00	\$791.00	\$788.00	\$996.00
	\$160,000	\$768.00	\$970.00	\$646.00	\$792.00	\$994.00	\$1,259.00	\$811.00	\$1,002.00	\$870.00	\$1,084.00	\$778.00	\$956.00	\$1,007.00	\$1,212.00	\$781.00	\$948.00	\$943.00	\$1,186.00
9	\$80,000	\$912.00	\$916.00	\$752.00	\$750.00	\$1,214.00	\$1,219.00	\$954.00	\$952.00	\$1,039.00	\$1,037.00	\$883.00	\$880.00	\$1,095.00	\$1,084.00	\$867.00	\$861.00	\$1,109.00	\$1,112.00
	\$120,000	\$1,114.00	\$1,115.00	\$921.00	\$915.00	\$1,487.00	\$1,490.00	\$1,170.00	\$1,165.00	\$1,276.00	\$1,268.00	\$1,083.00	\$1,077.00	\$1,358.00	\$1,340.00	\$1,068.00	\$1,058.00	\$1,360.00	\$1,359.00
	\$160,000	\$1,326.00	\$1,322.00	\$1,072.00	\$1,061.00	\$1,726.00	\$1,722.00	\$1,364.00	\$1,351.00	\$1,486.00	\$1,471.00	\$1,296.00	\$1,284.00	\$1,643.00	\$1,613.00	\$1,285.00	\$1,266.00	\$1,624.00	\$1,616.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$140.00	\$140.00	\$125.00	\$125.00	\$126.00	\$126.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$138.00	\$138.00
	\$25,000	\$148.00	\$148.00	\$125.00	\$125.00	\$190.00	\$190.00	\$144.00	\$144.00	\$170.00	\$170.00	\$138.00	\$138.00	\$141.00	\$141.00	\$125.00	\$125.00	\$187.00	\$187.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$151.00	\$151.00	\$125.00	\$125.00	\$136.00	\$136.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$149.00	\$149.00
	\$25,000	\$163.00	\$163.00	\$134.00	\$134.00	\$208.00	\$208.00	\$156.00	\$156.00	\$186.00	\$186.00	\$148.00	\$148.00	\$152.00	\$152.00	\$132.00	\$132.00	\$205.00	\$205.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$146.00	\$146.00	\$125.00	\$125.00	\$132.00	\$132.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$144.00	\$144.00
	\$15,000	\$158.00	\$158.00	\$131.00	\$131.00	\$202.00	\$202.00	\$153.00	\$153.00	\$180.00	\$180.00	\$145.00	\$145.00	\$149.00	\$149.00	\$130.00	\$130.00	\$199.00	\$199.00
	\$25,000	\$227.00	\$227.00	\$180.00	\$180.00	\$289.00	\$289.00	\$207.00	\$207.00	\$256.00	\$256.00	\$196.00	\$196.00	\$201.00	\$201.00	\$178.00	\$178.00	\$283.00	\$283.00

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher

Varies by pe

%

Burglar Alarm

Varies by pe

%

Smoke Alarm

Varies by pe

%

Deadbolt Lock

Varies by pe

%

Window Locks

N/A

%

\$1,000 Deductible

Varies by pe

%

Other (specify)

None

N/A

%

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?

Yes

(yes or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE?

Varies

%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Zone

Highest Risk

\$

2.9

Brick

\$

2.21

Frame

Maximum Credit Allowed	None	%	Lowest Risk	\$	0.61	\$	0.4
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NAIC Number: 3548

Company Name: Travelers Commercial Insurance Company

Contact Person: Jennifer Graves

Telephone No.: 860-277-7775

Email Address: jagraves@travelers.com

Effective Date: 7/11/2014

Homeowners Premium Comparison Survey Form

FORM HPCS - last modified August, 2005

USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK

Submit to: Arkansas Insurance Department

1200 West Third Street

Little Rock, AR 72201-1904

Telephone: 501-371-2800

Email as an attachment to insurance.pnc@arkansas.gov

You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)																			
Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$498.00	\$523.00	\$428.00	\$446.00	\$653.00	\$687.00	\$533.00	\$556.00	\$569.00	\$596.00	\$499.00	\$520.00	\$627.00	\$650.00	\$495.00	\$515.00	\$604.00	\$634.00
	\$120,000	\$605.00	\$635.00	\$521.00	\$543.00	\$800.00	\$840.00	\$652.00	\$680.00	\$697.00	\$729.00	\$611.00	\$636.00	\$779.00	\$806.00	\$609.00	\$632.00	\$740.00	\$775.00
	\$160,000	\$720.00	\$755.00	\$608.00	\$631.00	\$931.00	\$977.00	\$762.00	\$793.00	\$814.00	\$850.00	\$732.00	\$760.00	\$947.00	\$976.00	\$734.00	\$760.00	\$884.00	\$925.00
6	\$80,000	\$522.00	\$664.00	\$448.00	\$554.00	\$686.00	\$878.00	\$558.00	\$697.00	\$598.00	\$753.00	\$523.00	\$647.00	\$656.00	\$801.00	\$518.00	\$636.00	\$634.00	\$805.00
	\$120,000	\$636.00	\$807.00	\$546.00	\$674.00	\$841.00	\$1,072.00	\$684.00	\$851.00	\$733.00	\$920.00	\$640.00	\$791.00	\$817.00	\$990.00	\$638.00	\$781.00	\$777.00	\$983.00
	\$160,000	\$757.00	\$957.00	\$638.00	\$781.00	\$980.00	\$1,241.00	\$800.00	\$988.00	\$858.00	\$1,069.00	\$768.00	\$943.00	\$993.00	\$1,194.00	\$770.00	\$935.00	\$930.00	\$1,169.00
9	\$80,000	\$899.00	\$903.00	\$742.00	\$740.00	\$1,197.00	\$1,201.00	\$941.00	\$939.00	\$1,025.00	\$1,022.00	\$870.00	\$868.00	\$1,080.00	\$1,069.00	\$855.00	\$850.00	\$1,094.00	\$1,096.00
	\$120,000	\$1,098.00	\$1,100.00	\$908.00	\$903.00	\$1,466.00	\$1,468.00	\$1,154.00	\$1,149.00	\$1,257.00	\$1,251.00	\$1,068.00	\$1,062.00	\$1,338.00	\$1,321.00	\$1,053.00	\$1,043.00	\$1,340.00	\$1,339.00
	\$160,000	\$1,307.00	\$1,304.00	\$1,057.00	\$1,046.00	\$1,702.00	\$1,697.00	\$1,344.00	\$1,332.00	\$1,465.00	\$1,450.00	\$1,278.00	\$1,266.00	\$1,619.00	\$1,590.00	\$1,267.00	\$1,248.00	\$1,600.00	\$1,593.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)																			
Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$138.00	\$138.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$136.00	\$136.00
	\$25,000	\$146.00	\$146.00	\$125.00	\$125.00	\$187.00	\$187.00	\$143.00	\$143.00	\$168.00	\$168.00	\$136.00	\$136.00	\$140.00	\$140.00	\$125.00	\$125.00	\$184.00	\$184.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$149.00	\$149.00	\$125.00	\$125.00	\$135.00	\$135.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$147.00	\$147.00
	\$25,000	\$161.00	\$161.00	\$132.00	\$132.00	\$205.00	\$205.00	\$154.00	\$154.00	\$184.00	\$184.00	\$147.00	\$147.00	\$151.00	\$151.00	\$131.00	\$131.00	\$202.00	\$202.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$144.00	\$144.00	\$125.00	\$125.00	\$130.00	\$130.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$142.00	\$142.00
	\$15,000	\$156.00	\$156.00	\$129.00	\$129.00	\$199.00	\$199.00	\$151.00	\$151.00	\$178.00	\$178.00	\$144.00	\$144.00	\$147.00	\$147.00	\$128.00	\$128.00	\$196.00	\$196.00
	\$25,000	\$224.00	\$224.00	\$178.00	\$178.00	\$285.00	\$285.00	\$205.00	\$205.00	\$253.00	\$253.00	\$194.00	\$194.00	\$199.00	\$199.00	\$176.00	\$176.00	\$280.00	\$280.00

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)																			
Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher

Varies by pe %

Burglar Alarm

Varies by pe %

Smoke Alarm

Varies by pe %

Deadbolt Lock

Varies by pe %

Window Locks

N/A %

\$1,000 Deductible

Varies by pe %

Other (specify)

None N/A %

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?

Yes (yes or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE?

Varies %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Zone Highest Risk \$ 2.9 \$ 2.21

Maximum Credit Allowed	None	%	Lowest Risk	\$	0.61	\$	0.4
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FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #		2014-05-0106	
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number			
		Company Name	Company NAIC Number	
3.	A.	The Travelers Home and Marine Insurance Company	B.	3548-27998
		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	Homeowners	B.	Dwelling, Tenant


(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Dwelling Policy Form	18.20%	9.87%	N/A	N/A	N/A	N/A	N/A
Tenant Policy Form	52.43%	9.88%	N/A	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT		9.70%					

6. 5 Year History				Rate Change History				7.	
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	Expense Constants	Selected Provisions
2009	13,334	7.75%	9/20/2009	\$ 12,350	\$ 12,227	99.0%	70.5%	A. Total Production Expense	21.54%
2010	15,787	10.78%	4/18/2010	\$ 18,793	\$ 15,145	80.6%	78.2%	B. General Expense	6.52%
2011	20,775 / 21,506	10.53% / 0.05%	4/1/2011 / 8/5/2011	\$ 22,176	\$ 25,554	115.2%	109.2%	C. Taxes, License & Fees	3.77%
2012	21,454	15.30%	4/22/2012	\$ 23,322	\$ 8,579	36.8%	63.5%	D. Underwriting Profit & Contingencies	11.40%
2013	20,089	9.89%	6/4/2013	\$ 24,135	\$ 10,279	42.6%	46.8%		
								E. Other (ULAE & ALAE)	13.90%
								E.1. Installment Fees	-0.60%
								F. TOTAL	56.53%

8.	<u>    N    </u>	Apply Loss Cost Factors to Future Filings? (Y or N)	
9.	<u>  23.74%  </u>	Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):	<u>    N/A    </u>
10.	<u>  0.00%  </u>	Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):	<u>    N/A    </u>

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #		2014-05-0106	
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number			
		Company Name	Company NAIC Number	
3.	A.	Travelers Commercial Insurance Company	B.	3548-36137
		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	Homeowners	B.	Dwelling, Tenant

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Dwelling Policy Form	18.20%	11.18%	N/A	N/A	N/A	N/A	N/A
Tenant Policy Form	52.43%	10.19%	N/A	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT		 1%					

6. 5 Year History				Rate Change History				7.	
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	Expense Constants	Selected Provisions
2009	279	6.81%	9/20/2009	\$ 213	\$ 117	54.9%	46.7%	A. Total Production Expense	21.54%
2010	352	8.14%	4/18/2010	\$ 356	\$ 163	45.7%	55.6%	B. General Expense	6.52%
2011	489 / 516	9.92% / -2.72%	4/1/2011 / 8/5/2011	\$ 473	\$ 593	125.4%	68.2%	C. Taxes, License & Fees	3.77%
2012	577	15.29%	4/22/2012	\$ 552	\$ 95	17.3%	44.1%	D. Underwriting Profit & Contingencies	11.40%
2013	565	11.40%	6/4/2013	\$ 609	\$ 522	85.8%	48.4%	E. Other (ULAE & ALAE)	13.90%
								E.1. Installment Fees	-0.60%
								F. TOTAL	56.53%

8.	N	Apply Loss Cost Factors to Future Filings? (Y or N)	
9.	22.84%	Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):	N/A
10.	0.00%	Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):	N/A

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Table of Contents**

	Explanatory Memorandum
	Actuarial Memorandum
Exhibit 1	Statewide Rate Level Indication Summary
Exhibit 2	Statewide Rate Level Indication
Exhibit 3	Trended Premiums at Current Rates and Trended Ultimate Losses
Exhibit 4	Premium Trend
Exhibit 5	Loss Trend
Exhibit 6	Loss Development
Exhibit 7	Unallocated Loss Adjustment Expense Factor
Exhibit 8	Catastrophe Losses
Exhibit 9	Expenses and Permissible Loss & LAE Ratios
Exhibit 10	Calculation of Underwriting Profit
Exhibit 11	Revision to Base Rates
Exhibit 12	Revision to Loss Free Discount Factors
Exhibit 13	Revision to Account Discount Factors
Exhibit 14	Revision to Roof Covering Factors

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

### THE TRAVELERS HOME AND MARINE INSURANCE COMPANY TRAVELERS COMMERCIAL INSURANCE COMPANY

#### **Explanatory Memorandum**

##### Summary of changes

With this filing, we are proposing an overall impact of +4.98% for the Arkansas Quantum Homeowners and High Value Homeowners product. This proposal will include revisions to the following: Loss Free Discount factors, Account Discount factors, Roof Covering factors and base rates by peril and form. Please note that no policy will receive an impact greater than 25.00%.

The impact by form is listed below:

Policy Form	Rate Impact
Dwelling	5.01%
Tenant	5.08%
Total	4.98%

##### Rule of Application

This change applies to all new business issued and effective on or after 07/11/2014 and to all renewals issued on or after 07/11/2014 and effective on or after 08/30/2014.

In an effort to improve and update our indications process we are proposing the following changes to methodology and data.

##### Installment Fees

Installment fees are now incorporated in the indicated rate change calculation and are shown in Exhibit 9.

##### Calculation of Underwriting Profit (formerly Investment Income)

Exhibit 10 has been reconstructed to improve readability, with detailed calculations moved to the Explanatory Notes, labels clarified, and data sources noted. There are some methodology changes as well: A) The deduction for Delayed Remission of Premium on Page 3 is now calculated using the line-specific ratio of Agents' Balances in the course of collection to Unearned Premium Reserve, on a Direct basis. Previously we used the corporate-wide ratio of agents' balances in the course of collection to Earned Premium, on a Net basis. The change in components brings more accuracy, and the Direct basis matches the basis of the Unearned Premium Reserve. B) The Federal Income Tax Provision on Page 5 is now calculated as the average of the tax rates of the last three years, rather than only the last year, to produce a more stable result over time. In addition, the Net Investment Income and Dividends from Affiliates in this provision have been restated for consistency with our published statutory data. C) The calculation of the Average Rate of Return on Page 5 and the Deduction for Delayed Remission of Premium on Page 3 are now calculated as the straight average of the ratios for each of the three years, rather than one ratio based on three years of combined data, to give each year equal weight.

##### Unallocated Loss Adjustment Expenses (ULAE), and Calculation of Underwriting Profit

The countrywide data in Exhibit 7 (ULAE), and on pages 2-4 in Exhibit 10 (Underwriting Profit) have been revised to include additional data now available as a result of internal financial reporting changes.



## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Actuarial Memorandum**Summary of Methodology

A rate level indication is a test of the adequacy of expected revenues compared to expected costs during the period for which the proposed rates will be in effect. Premiums from the historical experience period are brought to the current rate level by the parallelogram method and additionally adjusted for other trends in average premiums over time. Losses and Allocated Loss Adjustment Expense (ALAE)<sup>1</sup> are adjusted to account for expected development and other trends over time. Losses and ALAE are further adjusted to account for expected Unallocated Loss Adjustment Expense (ULAE)<sup>2</sup>. All catastrophe losses and ALAE during the experience period are excluded and replaced with a provision that represents the expected level of these. Finally, expenses and the target profit provision are determined and combined with the above to calculate the indication. These data elements are specific to state and form unless otherwise noted. Details are provided below.

**Experience**Experience Period Data – Exhibit 3

Calendar year earned premiums and accident year incurred losses and ALAE are used in the indication. Premiums are on a direct basis. Losses and ALAE in this exhibit exclude those arising from catastrophes. Five years of experience ending March 31, 2014 are used. Losses are evaluated as of March 31, 2014.

Premium Trend – Exhibit 4

Premium trend reflects distributional shifts over time in policy variables such as amount of insurance, deductible, territory, etc. The trend data consists of five years of average annual Earned Premium at Current Rate Level (EPCR). A two-step trending procedure is used. Historical and prospective annual premium trends are selected considering the data. Factors are calculated to account for both the selected historical trend from the midpoint of each experience period to the midpoint of the last calendar year of premium trend data, and the selected prospective trend from that date to the average earned date underlying the proposed rates.

Loss Trend – Exhibit 5

The loss trend data consists of five years of non-catastrophe, calendar year paid losses and ALAE for both the Travelers and ISO Fastrack data. Each row in the table represents the average of 12 months of data ending on the date shown. This is done to account for known seasonal variations within a 12-month period. Similar to the method utilized in the Premium Trend exhibit, a two-step trending procedure is used. Historical and prospective annual trends for frequency and severity are selected considering the data. Factors are calculated to account for both the selected historical trends from the midpoint of each experience period to the midpoint of the last calendar year of loss trend data, and the selected prospective trend from that date to the average loss date underlying the proposed rates.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Actuarial Memorandum**

Loss Development Factors (LDFs) – Exhibit 6

Losses and ALAE are developed to their expected ultimate paid value by applying LDFs. These factors use loss and ALAE data to calculate historical age-to-age link ratios that represent loss and ALAE development between different evaluation periods. Factors are selected considering the data.

Unallocated Loss Adjustment Expenses (ULAE) – Exhibit 7

Losses and ALAE are adjusted to account for expected ULAE. A provision is developed using three years of the Travelers countrywide, line-specific, calendar year paid data. The ratio of ULAE to net paid losses and ALAE is calculated for each year. The final selection is made using weights that mitigate the impact of extraordinary catastrophe losses in 2011.

Experience Loss & LAE Ratios – Exhibits 2 and 3

Premiums and losses are adjusted by the factors noted above. The Loss & LAE Ratio for each year is calculated by dividing the Trended Ultimate Losses & LAE by the Trended EPCR. Accident Year Weights are applied to determine the Weighted Loss & LAE Ratio.

**Catastrophe Provision**

Catastrophes are low frequency, high severity events whose average impact cannot always be fully and reasonably captured in a short experience period. Therefore, to properly account for the catastrophe hazard and maintain a degree of stability, it is necessary to eliminate actual catastrophe losses and ALAE from the experience period and to include a catastrophe provision which represents expected catastrophe losses and ALAE.

An event is categorized as a catastrophe according to the Insurance Services Office (ISO) definition. ISO defines a catastrophe as an occurrence such as a hailstorm, windstorm, tornado, hurricane, winter storm, wildfire, earthquake, etc., which results in insured property losses of \$25M or more (\$5M for experience years before 1997) and affects a significant number of policyholders and insurers.

Non-Hurricane Catastrophe Losses – Exhibit 8

A non-hurricane catastrophe adjustment factor called the Weighted Catastrophe Loss Multiplier (WCLM) is applied to the non-catastrophe Loss & LAE Ratio to produce the Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio. The factor is selected based upon the long term (1994-2013) observed overall ratio of the Travelers historical non-hurricane catastrophe losses to non-catastrophe losses. This loss history contains all homeowners forms combined, as it is not readily available by form for all of those years.

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Actuarial Memorandum****Expenses And Profit – Exhibits 9 and 10**

Expenses are specific to each line of business. Fixed Expenses include Other Acquisition and General Expenses, and Installment Fees. Variable Expenses include Commissions as well as Taxes, Licenses and Fees. All expense provisions in Exhibit 9 are determined based on data that reconciles with the company's financial statements. The Other Acquisition and General Expenses are countrywide for all Travelers Personal Insurance writing companies, whereas the Variable Expenses and Installment Fees are state-specific for the writing companies in this filing. Exhibit 10 provides the details that support the selection of the Target Before-Tax Underwriting Profit.

The Variable Expenses and Profit Margin are subtracted from 100% to yield the Permissible Loss, LAE and Fixed Expense Ratio. All expenses and the Profit Margin are subtracted from 100% to yield the Permissible Loss & LAE Ratio.

**Indicated Rate Level Change – Exhibit 2**Credibility

The full credibility standard is 18,750 earned house years for Dwelling and 3,750 earned house years for Tenant. Credibility is calculated by dividing the total earned house years in the experience period by the full credibility standard, taking the square root, and capping the result at 1.00.

Complement of Credibility

The complement of credibility is the Trended Permissible Loss & LAE Ratio. The formula for this complement is shown at the bottom of the exhibit; the calculation applies net prospective trend to the Permissible Loss & LAE Ratio for the time period between the effective date of the most recent approved filing and the proposed effective date of the current filing.

Indication

The Total Loss & LAE Ratio is credibility weighted with the Trended Permissible Loss & LAE Ratio to produce the Credibility Weighted Loss & LAE Ratio. This ratio, plus Fixed Expenses, is divided by the Permissible Loss, LAE and Fixed Expense Ratio to produce the Indicated Rate Level Change.

<sup>1</sup> ALAE corresponds to Defense and Cost Containment (DCC) expenses in our statutory financial reporting.

<sup>2</sup> ULAE corresponds to Adjusting and Other (AAO) expenses in our statutory financial reporting.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Statewide Rate Level Indication Summary

<u>Policy Forms</u>	Accident Year Ending 03/31/2014 <u>EPCR</u>	Indicated Rate Level <u>Change</u>	Proposed Rate Level <u>Change</u>
Dwelling	25,920,620	18.20%	5.01%
Tenant	527,040	52.43%	5.08%

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Statewide Rate Level Indication

Dwelling Policy Forms

Accident Year Ending 03/31	Earned House Years	Trended EPCR	Trended Ultimate Loss & LAE	Incurred Claim Count	Accident Year Weights	Projected Loss & LAE Ratio
(1)	(2)	(3)	(4)	(5)	(6) = (3) / (2)	
2010	14,241	19,824,509	14,365,190	1,115	16%	72.5%
2011	18,725	26,269,377	13,783,999	927	21%	52.5%
2012	19,225	27,098,095	12,148,281	1,085	22%	44.8%
2013	18,286	25,661,672	10,717,642	1,049	21%	41.8%
2014	17,673	24,597,547	10,316,924	763	20%	41.9%
(7) Weighted Loss & LAE Ratio = sum [(5) x (6)]						49.6%
(8) Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio = (7) x WCLM						69.5%
(9) Credibility= [(1) / 18,750] ^ 0.5, cap result at 1.00						100.0%
(10) Trended Permissible Loss & LAE Ratio						61.8%
(11) Credibility Weighted Loss & LAE Ratio = (8) x (9) + (10) x [1.0 - (9)]						69.5%
(12) Permissible Loss, LAE and Fixed Expense Ratio						66.7%
(13) Indicated Rate Level Change = [(11) + (FE)] / (12) - 1.0						18.20%
(14) Proposed Rate Level Change						5.01%

Notes:

(8) WCLM = Weighted Catastrophe Loss Multiplier, from Exhibit 8

(10) Trended Permissible Loss & LAE Ratio =  
Permissible Loss & LAE Ratio  
x [(1.0 + Frequency Trend) x (1.0 + Severity Trend) / (1.0 + Premium Trend)]  
^ [(Effective Date – Prior Effective Date) / 365]

(13) FE = Fixed Expense, from Exhibit 9

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Statewide Rate Level Indication

Tenant Policy Forms

Accident Year Ending 03/31	Earned House Years (1)	Trended EPCR (2)	Trended Ultimate Loss & LAE (3)	Incurred Claim Count (4)	Accident Year Weights (5)	Projected Loss & LAE Ratio (6) = (3) / (2)
2010	1,653	478,061	362,957	38	16%	75.9%
2011	2,087	602,676	505,080	44	21%	83.8%
2012	2,386	695,643	285,361	44	24%	41.0%
2013	2,093	591,138	343,367	55	21%	58.1%
2014	1,791	523,678	411,681	36	18%	78.6%
(7) Weighted Loss & LAE Ratio = sum [(5) x (6)]						65.9%
(8) Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio = (7) x WCLM						92.4%
(9) Credibility= [(1) / 3,750] ^ 0.5, cap result at 1.00						100.0%
(10) Trended Permissible Loss & LAE Ratio						58.2%
(11) Credibility Weighted Loss & LAE Ratio = (8) x (9) + (10) x [1.0 - (9)]						92.4%
(12) Permissible Loss, LAE and Fixed Expense Ratio						66.7%
(13) Indicated Rate Level Change = [(11) + (FE)] / (12) - 1.0						52.43%
(14) Proposed Rate Level Change						5.08%

Notes:

(8) WCLM = Weighted Catastrophe Loss Multiplier, from Exhibit 8

(10) Trended Permissible Loss & LAE Ratio =  
Permissible Loss & LAE Ratio  
x [(1.0 + Frequency Trend) x (1.0 + Severity Trend) / (1.0 + Premium Trend)]  
^ [(Effective Date – Prior Effective Date) / 365]

(13) FE = Fixed Expense, from Exhibit 9

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Trended Premiums at Current Rates and Trended Ultimate Losses**

Dwelling Policy Forms

Accident Year Ending 3/31	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Premiums</u>					
(1) Earned Premium	13,614,356	19,739,959	22,362,629	23,232,381	24,344,401
(2) Earned Premium at Current Rates Factor	1.675	1.497	1.334	1.190	1.065
(3) Earned Premium at Current Rates = (1) x (2)	22,798,973	29,557,847	29,831,286	27,639,383	25,920,620
(4) Premium Trend Factor	0.870	0.889	0.908	0.928	0.949
(5) Trended Earned Premium at Current Rates = (3) x (4)	19,824,509	26,269,377	27,098,095	25,661,672	24,597,547
<u>Losses</u>					
(6) Incurred Losses & ALAE	11,000,409	10,754,444	9,684,871	8,743,750	7,671,792
(7) Loss Development Factor	1.002	1.003	1.002	0.998	1.117
(8) Ultimate Losses & ALAE = (6) x (7)	11,021,935	10,788,584	9,699,443	8,729,190	8,571,715
(9) ULAE Factor	1.124	1.124	1.124	1.124	1.124
(10) Ultimate Losses & LAE = (8) x (9)	12,390,077	12,127,760	10,903,425	9,812,735	9,635,713
(11) Loss Trend Factor	1.159	1.137	1.114	1.092	1.071
(12) Trended Ultimate Losses & LAE = (10) x (11)	14,365,190	13,783,999	12,148,281	10,717,642	10,316,924

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Trended Premiums at Current Rates and Trended Ultimate Losses**

Tenant Policy Forms					
Accident Year Ending 3/31	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Premiums</u>					
(1) Earned Premium	392,887	490,234	577,420	538,990	504,649
(2) Earned Premium at Current Rates Factor	1.427	1.388	1.309	1.147	1.044
(3) Earned Premium at Current Rates = (1) x (2)	560,824	680,433	755,871	618,171	527,040
(4) Premium Trend Factor	0.852	0.886	0.920	0.956	0.994
(5) Trended Earned Premium at Current Rates = (3) x (4)	478,061	602,676	695,643	591,138	523,678
<u>Losses</u>					
(6) Incurred Losses & ALAE	317,331	441,459	249,416	301,215	324,225
(7) Loss Development Factor	1.000	1.000	1.000	0.997	1.110
(8) Ultimate Losses & ALAE = (6) x (7)	317,331	441,589	249,489	300,204	359,930
(9) ULAE Factor	1.124	1.124	1.124	1.124	1.124
(10) Ultimate Losses & LAE = (8) x (9)	356,721	496,403	280,458	337,468	404,608
(11) Loss Trend Factor	1.017	1.017	1.017	1.017	1.017
(12) Trended Ultimate Losses & LAE = (10) x (11)	362,957	505,080	285,361	343,367	411,681



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Premium Trend**

Dwelling Policy Forms

Calendar Year <u>Ending</u>	Average Annual Earned Premium <u>at Current Rates</u>	Annual <u>Change</u>
03/31/2010	1,600.90	
03/31/2011	1,578.49	-1.4%
03/31/2012	1,551.72	-1.7%
03/31/2013	1,511.49	-2.6%
03/31/2014	1,466.67	-3.0%
Fitted Annual Trend 5 point	-2.2%	
Selected Historical Annual Trend	-2.2%	
Selected Prospective Annual Trend	-3.0%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period <u>Ending</u> (a)	Historical Trend Period (months) (b)	Factor to Adjust to 9/30/2013 (c)	Prospective Trend Period (months) (d)	Factor to Adjust from 09/30/2013 to 06/27/2015 (e)	Premium Trend Factor (f)
03/31/2010	48	0.916	20.9	0.949	0.870
03/31/2011	36	0.937	20.9	0.949	0.889
03/31/2012	24	0.957	20.9	0.949	0.908
03/31/2013	12	0.978	20.9	0.949	0.928
03/31/2014	0	1.000	20.9	0.949	0.949

Notes:

Fitted Annual Trend is calculated using exponential fits

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $(1 + \text{Historical Premium Trend})^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $(1 + \text{Prospective Premium Trend})^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Premium Trend**

Tenant Policy Forms

Calendar Year <u>Ending</u>	Average Annual Earned Premium <u>at Current Rates</u>	Annual <u>Change</u>
03/31/2010	339.19	
03/31/2011	326.05	-3.9%
03/31/2012	316.78	-2.8%
03/31/2013	295.34	-6.8%
03/31/2014	294.25	-0.4%
Fitted Annual Trend 5 point	-3.8%	
Selected Historical Annual Trend	-3.8%	
Selected Prospective Annual Trend	-0.4%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period <u>Ending</u> (a)	Historical Trend Period (months) (b)	Factor to Adjust to 9/30/2013 (c)	Prospective Trend Period (months) (d)	Factor to Adjust from 09/30/2013 to 06/27/2015 (e)	Premium Trend Factor (f)
03/31/2010	48	0.858	20.9	0.994	0.852
03/31/2011	36	0.891	20.9	0.994	0.886
03/31/2012	24	0.926	20.9	0.994	0.920
03/31/2013	12	0.962	20.9	0.994	0.956
03/31/2014	0	1.000	20.9	0.994	0.994

Notes:

Fitted Annual Trend is calculated using exponential fits

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $(1 + \text{Historical Premium Trend})^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $(1 + \text{Prospective Premium Trend})^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Trend

Dwelling Policy Forms

Calendar Year Ending	Frequency (per 100 Exposures)		Severity	
	Travelers	ISO Fastrack	Travelers	ISO Fastrack
03/31/2009		6.14		8,168
06/30/2009	3.36	6.43	14,680	8,143
09/30/2009	5.09	7.16	11,179	7,942
12/31/2009	5.76	6.82	8,545	7,987
03/31/2010	7.93	6.89	7,424	8,032
06/30/2010	8.77	6.88	8,247	8,298
09/30/2010	7.11	6.35	9,017	8,247
12/31/2010	6.57	6.26	9,773	8,281
03/31/2011	6.09	6.26	10,118	8,643
06/30/2011	5.73	6.75	8,970	8,097
09/30/2011	6.07	7.10	9,788	8,200
12/31/2011	6.19	6.96	9,887	8,514
03/31/2012	6.46	6.61	8,823	8,485
06/30/2012	5.98	5.86	9,129	8,859
09/30/2012	5.45	5.50	9,017	8,968
12/31/2012	5.55	5.51	8,036	8,715
03/31/2013	6.55	5.99	7,486	8,199
06/30/2013	6.62	6.02	7,681	8,198
09/30/2013	6.48	5.76	7,148	8,303
12/31/2013	6.00	5.60	8,511	8,232
03/31/2014	4.90		10,436	
Fitted Annual Trend				
20 point	0.9%	-3.6%	-4.9%	1.1%
12 point	-1.5%	-7.0%	-4.5%	-0.6%
8 point	-2.1%	-4.2%	1.5%	-4.0%
4 point	-32.5%	-9.3%	54.9%	1.0%
Selected Historical Annual Trend				
	Frequency		Severity	
	1.0%		1.0%	
Selected Prospective Annual Trend				
	0.0%		4.0%	

Factors To Adjust Data Based on a 07/11/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 09/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Loss Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	1.083	20.9	1.071	1.159
03/31/2011	36	1.062	20.9	1.071	1.137
03/31/2012	24	1.041	20.9	1.071	1.114
03/31/2013	12	1.020	20.9	1.071	1.092
03/31/2014	0	1.000	20.9	1.071	1.071

Notes:

Travelers and ISO Fastrack data are statewide, calendar year, paid losses and ALAE, excluding catastrophes

Fitted Annual Trend is calculated using exponential fits.

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $[(1 + \text{Historical Frequency Trend}) \times (1 + \text{Historical Severity Trend})]^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $[(1 + \text{Prospective Frequency Trend}) \times (1 + \text{Prospective Severity Trend})]^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Trend

Tenant Policy Forms

Calendar Year Ending	Frequency (per 100 Exposures)		Severity	
	Travelers	ISO Fastrack	Travelers	ISO Fastrack
03/31/2009		2.46		3,789
06/30/2009	2.67	2.38	7,240	3,681
09/30/2009	2.40	2.49	8,684	4,172
12/31/2009	2.34	2.48	10,198	4,419
03/31/2010	2.16	2.46	10,086	4,609
06/30/2010	1.82	2.51	8,979	5,130
09/30/2010	2.12	2.59	7,396	5,004
12/31/2010	2.03	2.57	6,400	4,942
03/31/2011	2.09	2.54	7,570	4,986
06/30/2011	2.40	2.64	8,874	4,500
09/30/2011	2.28	2.62	8,929	4,373
12/31/2011	2.06	2.66	9,142	4,498
03/31/2012	1.96	2.63	8,528	4,488
06/30/2012	1.75	2.49	7,268	4,508
09/30/2012	1.61	2.47	8,766	4,501
12/31/2012	1.88	2.54	6,058	4,057
03/31/2013	2.56	2.62	4,947	3,826
06/30/2013	2.62	2.66	4,953	4,350
09/30/2013	2.87	2.58	4,425	4,614
12/31/2013	2.75	2.36	6,805	5,022
03/31/2014	1.90		7,927	
Fitted Annual Trend				
20 point	0.3%	0.7%	-8.8%	1.2%
12 point	6.0%	-1.5%	-16.6%	-1.2%
8 point	24.2%	-1.5%	-7.3%	3.6%
4 point	-33.3%	-13.0%	108.8%	41.9%
Selected Historical Annual Trend				
	Frequency		Severity	
	0.0%		0.0%	
Selected Prospective Annual Trend				
	0.0%		1.0%	

Factors To Adjust Data Based on a 07/11/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 09/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Loss Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	1.000	20.9	1.017	1.017
03/31/2011	36	1.000	20.9	1.017	1.017
03/31/2012	24	1.000	20.9	1.017	1.017
03/31/2013	12	1.000	20.9	1.017	1.017
03/31/2014	0	1.000	20.9	1.017	1.017

Notes:

Travelers and ISO Fastrack data are statewide, calendar year, paid losses and ALAE, excluding catastrophes

Fitted Annual Trend is calculated using exponential fits.

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $[(1 + \text{Historical Frequency Trend}) \times (1 + \text{Historical Severity Trend})]^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $[(1 + \text{Prospective Frequency Trend}) \times (1 + \text{Prospective Severity Trend})]^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Development

Dwelling Policy Forms

Incurred Losses Including ALAE

Accident Year Ending 03/31	Evaluation Month:									
	12	24	36	48	60	72	84	96	108	120
2005	5,125,683	5,664,292	5,595,136	5,356,947	5,353,631	5,352,919	5,352,919	5,352,919	5,357,814	5,362,724
2006	6,021,288	7,300,051	7,567,320	7,603,461	7,593,986	7,784,155	7,789,934	7,822,558	7,815,033	
2007	9,573,900	9,930,088	9,943,960	9,905,302	9,908,671	9,915,101	9,925,101	9,937,843		
2008	10,147,756	12,308,197	12,128,077	11,848,339	11,902,271	11,776,082	11,776,082			
2009	12,919,014	13,537,045	13,514,790	13,506,444	12,838,129	12,889,987				
2010	13,889,815	17,016,401	16,984,754	16,976,453	17,462,474					
2011	11,854,264	13,133,011	13,054,328	13,083,901						
2012	12,530,413	13,420,393	13,715,006							
2013	9,364,996	11,037,597								
2014	8,851,149									

Development Factors

Accident Year Ending 03/31	Development Period:								
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
2005	1.105	0.988	0.957	0.999	1.000	1.000	1.000	1.001	1.001
2006	1.212	1.037	1.005	0.999	1.025	1.001	1.004	0.999	
2007	1.037	1.001	0.996	1.000	1.001	1.001	1.001		
2008	1.213	0.985	0.977	1.005	0.989	1.000			
2009	1.048	0.998	0.999	0.951	1.004				
2010	1.225	0.998	1.000	1.029					
2011	1.108	0.994	1.002						
2012	1.071	1.022							
2013	1.179								

Average Development Factors

	Development Period:								
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
All yr avg	1.133	1.003	0.991	0.997	1.004	1.000	1.002	1.000	1.001
All yr avg excluding Hi/Lo	1.134	1.000	0.995	1.001	1.002	1.000	1.001		
5 yr avg	1.126	1.000	0.995	0.997	1.004				
5 yr avg excluding Hi/Lo	1.119	0.997	0.998	1.001	1.002				
4 yr avg	1.146	1.003	0.995	0.996	1.005	1.000			
4 yr avg excluding Hi/Lo	1.143	0.998	0.999	1.002	1.002	1.000			
3 yr avg	1.119	1.005	1.000	0.995	0.998	1.001	1.002		
Selected LDF	1.119	0.997	0.998	1.001	1.002	1.000	1.000	1.000	1.000
Cumulative LDF	12 to Ult.	24 to Ult.	36 to Ult.	48 to Ult.	60 to Ult.	72 to Ult.	84 to Ult.	96 to Ult.	108 to Ult.
	1.117	0.998	1.002	1.003	1.002	1.000	1.000	1.000	1.000

[illegible]

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

## ALL COMPANIES COMBINED

**Unallocated Loss Adjustment Expense Factor**

## Homeowners

<u>Calendar Year</u>	<u>Paid ULAE</u> (1)	<u>Paid Losses &amp; ALAE</u> (2)	<u>ULAE Factor</u> (3) = 1.0 + (1) / (2)
2010	\$229,584,398	\$1,786,320,178	1.129
2011	\$273,198,476	\$2,764,994,002	1.099
2012	\$272,974,777	\$2,061,810,074	1.132
Selected			1.124

Notes:

Countrywide data, on a Net basis

Selected is an average using weights that mitigate the extraordinary catastrophe losses in 2011

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

## ALL COMPANIES COMBINED

**Catastrophe Losses**  
**Weighted Catastrophe Loss Multiplier**

## All Policy Forms Combined

Calendar Year	Total Incurred Losses	Catastrophe Hurricane Losses	Catastrophe Earthquake Losses	Other Catastrophe Losses	Non-Catastrophe Incurred Losses
	(1)	(2)	(3)	(4)	(5) = (1) - (2) - (3) - (4)
1994	33,681	0	0	0	33,681
1995	45,350	0	0	0	45,350
1996	16,622	0	0	3,250	13,372
1997	94,083	0	0	3,376	90,707
1998	140,013	0	0	21,130	118,883
1999	1,226,638	0	0	247,702	978,936
2000	667,848	0	0	85,139	582,709
2001	928,813	0	0	260,322	668,491
2002	1,322,681	0	0	120,703	1,201,978
2003	2,845,528	0	0	159,373	2,686,155
2004	4,007,483	0	0	301,816	3,705,667
2005	7,590,058	357,668	0	235,707	6,996,683
2006	12,961,298	127,285	0	1,737,918	11,096,095
2007	9,496,630	0	0	607,031	8,889,599
2008	29,256,103	1,756,392	0	10,830,292	16,669,419
2009	21,028,954	259,297	0	9,113,355	11,656,302
2010	18,961,689	6,378	0	2,629,912	16,325,399
2011	31,743,407	530	0	16,728,390	15,014,487
2012	11,882,875	0	0	2,690,266	9,192,609
2013	13,735,932	0	0	1,561,540	12,174,392
20-Year Total	167,985,686	2,507,550	0	47,337,222	118,140,914
(6)	Ratio of Other Catastrophe to Non-Catastrophe Total Losses = (4) / (5)				0.401
(7)	Weighted Catastrophe Loss Multiplier (WCLM) = 1.0 + (6)				1.401



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Expenses and Permissible Loss & LAE Ratios**

<u>Fixed Expense</u>	
(1) Other Acquisition and General Expenses	10.0%
(2) Installment Fees	-0.6%
(3) Total Fixed Expense = (1) + (2)	9.4%
<u>Variable Expense</u>	
(4) Commissions	18.1%
(5) Taxes, Licenses and Fees	3.8%
(6) Total Variable Expense = (4) + (5)	21.9%
(7) Profit Margin	11.4%
(8) Permissible Loss, LAE and Fixed Expense Ratio = 100% - (6) - (7)	66.7%
(9) Permissible Loss & LAE Ratio = 100% - (3) - (6) - (7)	57.4%

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Calculation of Underwriting Profit  
Summary Exhibit**

	<u>Homeowners</u>
A. <u>Direct Earned Premium</u>	23,873,895
B. <u>Funds Available for Investment from Unearned Premium Reserve</u>	
1. Direct Mean Unearned Premium Reserve (see Page 2)	12,686,844
2. Deduction for Federal Taxes (see Page 2)	24,055
3. Deduction for Prepaid Expenses (see Page 2)	3,405,851
4. Deduction for Delayed Remission of Premium (see Page 3)	4,181,908
5. Net Available for Investment = B1 - B2 - B3 - B4	5,075,030
C. <u>Funds Available for Investment from Loss &amp; LAE Reserve</u>	
1. Expected Mean Loss & LAE Reserve (see Page 3)	5,718,315
2. Deduction for Federal Taxes (see Page 4)	(46,934)
3. Net Available for Investment = C1 - C2	5,765,249
D. <u>Policyholder Surplus (see Page 5)</u>	20,700,000
E. <u>Net Available for Investment = B5 + C3 + D</u>	31,540,279
F. <u>Average Rate of Return (see Page 5)</u>	4.5%
G. <u>Projected Investment Earnings = E x F</u>	1,425,226
H. <u>Before Tax Return (% of EP) = G / A</u>	6.0%
I. <u>Federal Income Tax Provision (see Page 5)</u>	18.6%
J. <u>After-Tax Return (% of EP) = H x (100% - I)</u>	4.9%
K. <u>Target After-Tax Total Return (% of EP) (see Page 5)</u>	13.0%
L. <u>Target After-Tax Underwriting Profit (% of EP) = K - J</u>	8.1%
M. <u>Target Before-Tax Underwriting Profit (% of EP) = L / 0.65</u>	12.5%
N. <u>Selected Target Before-Tax Underwriting Profit</u>	11.4%

The Target After-Tax Total Return on earned premium from underwriting and investment activities is 13.0%.

Since the after-tax return on homeowners earned premium from investment earnings is 4.9%, the difference of 8.1% is the projected after-tax underwriting profit. Assuming a tax rate of 35%, the before-tax underwriting profit is 12.5% as a percent of earned premium.

Notes:

A. Direct Earned Premium: State data, Page 14, Column 2, for 2012

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

B. Funds Available for Investment from Unearned Premium Reserve

1. Direct Mean Unearned Premium Reserve	<u>Homeowners</u>
(a) Direct unearned premium reserve as of 12/2011	12,515,020
(b) Direct unearned premium reserve as of 12/2012	12,858,668
(c) Direct mean unearned premium reserve = (a + b) / 2	12,686,844

2. Deduction for Federal Taxes: The Internal Revenue Code allows only 80% of the change in unearned premium reserve as a deduction. The limitation of the deduction is accomplished through an adjustment to statutory income whereby 20% of the unearned premium reserve change is added to statutory income for tax purposes.

$$\text{Deduction} = 0.35 \times 0.20 \times (B1(b) - B1(a)) \quad 0.35 \times 0.20 \times (12,858,668 - 12,515,020) = \quad 24,055$$

3. Deduction for Prepaid Expenses: Production costs and a large part of the other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures.

(a) Commissions	18.10%
(b) Taxes, Licenses, and Fees	3.77%
(c) 50% of Other Acquisition	1.72%
(d) 50% of General	3.26%
(e) Total (% of premium)	26.85%

$$(f) \text{ Deduction} = B1(c) \times B3(e) \quad 12,686,844 \times 26.85\% = \quad 3,405,851$$

Notes:

(Data for year 2012 unless noted otherwise)

B1(a,b) State data, Page 14, Column 4

B3(a) [(Base Commission) + (3-Year Average Supplemental Commission)] / (State data, Page 14, Column 1)

Commissions are state data from the financial database that reconciles to Page 14

B3(b) (State data, Page 14, Column 12) / (State data, Page 14, Column 1)

B3(c) Countrywide data from the financial database that reconciles to IEE, Part III, Column 27

B3(d) Countrywide data from the financial database that reconciles to IEE, Part III, Column 29

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

B. **Funds Available for Investment from Unearned Premium Reserve (continued)**

4. Deduction for Delayed Remission of Premium: The ratio used for the Average Uncollected Balance is the countrywide agents' balances in the course of collection as a percentage of mean unearned premium reserve. This ratio is multiplied by the state mean unearned premium reserve to determine the deduction.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Direct Agents' Balances	560,513,044	583,022,285	583,798,490	
(b) Direct Mean Unearned Premium Reserve	1,653,096,976	1,776,824,784	1,814,829,010	
(c) Average Uncollected Balance Ratio = a / b	33.9%	32.8%	32.2%	33.0%
(d) Deduction = B1(c) x B4(c) <sub>Average</sub>	12,686,844 x 33.0% =		4,181,908	

C. **Funds Available for Investment from Loss & LAE Reserve**

This is determined by multiplying the expected Incurred Loss & LAE by the Mean Loss & LAE Reserve Ratio and deducting for Federal Taxes payable on loss reserves.

1. Expected Mean Loss & LAE Reserve

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Net Paid Loss & LAE	2,015,904,576	3,038,192,478	2,334,784,851	
(b) Net Loss & LAE Reserve as of end of prior year	871,686,526	1,004,857,491	1,118,891,945	
(c) Net Loss & LAE Reserve as of end of year	1,004,857,491	1,118,891,945	1,085,983,309	
(d) Net Incurred Loss & LAE = a + c - b	2,149,075,541	3,152,226,932	2,301,876,215	
(e) Net Mean Loss & LAE Reserve = (b + c) / 2	938,272,009	1,061,874,718	1,102,437,627	
(f) Reserve Ratio = e / d	0.4366	0.3369	0.4789	0.4175
(g) Permissible Loss & LAE Ratio (see Exhibit 9)			57.38%	
(h) Expected Mean Loss & LAE Reserve = A x C1(g) x C1(f) <sub>Average</sub>	23,873,895 x 57.38% x 0.4175 =		5,718,315	

Notes:

B4(a) Countrywide Homeowners data from the financial database that reconciles to IEE, Part III, Column 21

B4(b) Countrywide Homeowners data from the financial database that reconciles to IEE, Part III, Column 19

C1(a,b,c) Countrywide Homeowners data from the financial database that reconciles to IEE, Part II

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

C. **Funds Available for Investment from Loss & LAE Reserve (continued)**

2. Deduction for Federal Taxes Payable on Loss Reserves

Year of Loss	Statutory Reserves ( <i>Undiscounted</i> )		Tax Reserves ( <i>Discounted</i> )	
	2011	2012	2011	2012
2001 & Prior	5,255,933	6,182,829	5,026,607	5,986,060
2002	1,681,435	279,783	1,559,767	266,288
2003	2,373,927	1,508,658	2,088,830	1,406,923
2004	3,362,241	2,154,869	3,045,135	1,913,031
2005	37,871,767	33,769,751	33,886,715	30,839,196
2006	8,988,741	5,501,885	8,086,179	4,964,473
2007	20,933,312	11,429,649	18,828,619	10,306,842
2008	49,103,278	20,424,660	44,272,634	18,297,122
2009	73,375,018	33,010,356	66,272,572	29,689,144
2010	174,671,967	77,995,885	158,428,282	70,809,458
2011	807,686,005	233,816,158	761,283,120	213,683,536
2012		724,206,301		686,745,097
Total	1,185,303,625	1,150,280,785	1,102,778,460	1,074,907,170
			2011	2012
(a) Ratio of Total Tax to Total Statutory Reserves			0.9304	0.9345
(b) Arkansas Homeowners Loss & ALAE Reserve as of 12/2011 x (ULAE Factor)				
6,366,402 x 1.124 =				7,155,836
(c) Arkansas Homeowners Loss & ALAE Reserve as of 12/2012 x (ULAE Factor)				
4,943,483 x 1.124 =				5,556,475
(d) Deduction = 0.35 x [c - b - (c x a <sub>2012</sub> ) + (b x a <sub>2011</sub> )]				
0.35 x [5,556,475 - 7,155,836 - (5,556,475 x 0.9345) + (7,155,836 x 0.9304)] =				(46,934)

Notes:

C2(a) 2012 Federal Tax Return supporting documentation, Countrywide data  
C2(b,c) State data, Page 14, Column 7 and Column 10

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Calculation of Underwriting Profit**  
**Explanatory Notes**

**D. Policyholder Surplus**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Year End Property Casualty Policyholder Surplus	19,510,628,060	18,586,650,960	19,317,409,143	
(b) Direct Written Premium	21,541,288,707	22,206,993,630	22,695,957,856	
(c) Premium to Surplus Ratio = b / a	1.10	1.19	1.17	1.15
(d) Direct Earned Premium (see Page 1, Item A)			23,873,895	
(e) Allocated Policyholder Surplus = d / c <small>Average</small>			20,700,000	

**F. Average Rate of Return**

The average rate of return is based on the three-year average ratio of net investment earnings to invested assets.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Net Investment Income	3,211,248,419	2,749,874,457	2,737,689,177	
(b) Net Realized Capital Gains	(146,038,854)	13,192,798	59,550,223	
(c) Invested Assets	64,670,591,711	62,801,070,216	63,331,666,728	
(d) Average Rate of Return = (a + b) / c	4.7%	4.4%	4.4%	4.5%

**I. Federal Income Tax Provision**

Detailed below is the calculation of the Federal Income Tax rate on Net Investment Income earned for Travelers Property Casualty Corporation. (Dollars are in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Net Investment Income (NII)	3,211,248	2,749,874	2,737,689	
(b) Dividends from Affiliates	(197,700)	0	0	
(c) Tax Exempt Interest (TEI)	(1,577,345)	(1,486,899)	(1,404,197)	
(d) 70% Dividends Received Deduction (DRD)	(6,138)	(9,336)	(10,008)	
(e) 42% DRD	(2,059)	(1,845)	(1,833)	
(f) 15% Proration Adj. on TEI and DRD = 0.15 x (c + d + e)	237,526	224,491	211,541	
(g) Other Adjustments	(9,554)	(23,134)	(31,573)	
(h) Taxable NII = a + b + c + d + e + f + g	1,655,978	1,453,151	1,501,619	
(i) Tax on NII = h x 0.35	579,592	508,603	525,567	
(j) Federal Income Tax Rate on NII = i / a	18.0%	18.5%	19.2%	18.6%

**K. Target After-Tax Total Return**

	<u>2012</u>
(a) Target Return on Equity	15.0%
(b) Target Return on Earned Premium = K(a) / D(c) <small>Average</small>	13.0%

**Notes:**

D(a) Consolidated Annual Statement, Page 3, Line 37

D(b) Consolidated Annual Statement, Page 8, Line 35, Column 1

F(a) Consolidated Annual Statement, Page 4, Line 9

F(b) Consolidated Annual Statement, Page 4, Line 10

F(c) Mean of current year and prior year:

[(Consolidated Annual Statement, Page 2, Line 12, Column 3) - (Consolidated Annual Statement Page 2, Line 5 (cash))]

I(a) Consolidated Annual Statement, Page 4, Line 9

I(b,c,d,e,f,g) Federal Income Tax Provision

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Base Rates

Current

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1237.640	117.520	157.210	321.160	43.130
HO-4	237.080	36.080	120.550	20.940	6.650
HV-3	1569.290	157.110	238.320	431.330	58.000

Proposed

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1256.030	117.900	159.820	337.730	44.960
HO-4	242.070	36.920	122.070	20.480	6.620
HV-3	1592.620	157.600	242.270	454.090	60.460

\*Note: Only rates being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS  
THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Loss Free Discount Factors

Current

Loss Free Discount						
Form	Loss Free Years	P1	P2	P3	P5	P6
HO-4	<3	1.000	1.000	1.000	1.000	1.000
HO-4	= or >3 but <5	0.501	0.518	0.447	0.635	0.421
HO-4	=or >5	0.501	0.518	0.447	0.635	0.421

Proposed

Loss Free Discount						
Form	Loss Free Years	P1	P2	P3	P5	P6
HO-4	<3	1.000	1.000	1.000	1.000	1.000
HO-4	= or >3 but <5	0.526	0.544	0.469	0.667	0.442
HO-4	=or >5	0.526	0.544	0.469	0.667	0.442

\* Note: Only factors being changed are shown.



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Current

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	Yes	No	No	No	No	No	0.674	0.723	0.837	0.817	0.835
HO-3 / HV-3	Yes	No	No	No	No	Yes	0.674	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	No	No	Yes	No	0.674	0.723	0.837	0.809	0.835
HO-3 / HV-3	Yes	No	No	No	Yes	Yes	0.674	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	No	Yes	No	No	0.667	0.716	0.829	0.809	0.827
HO-3 / HV-3	Yes	No	No	Yes	No	Yes	0.667	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	No	Yes	Yes	No	0.667	0.716	0.829	0.801	0.827
HO-3 / HV-3	Yes	No	No	Yes	Yes	Yes	0.667	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	Yes	No	No	No	0.616	0.723	0.837	0.817	0.835
HO-3 / HV-3	Yes	No	Yes	No	No	Yes	0.616	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	Yes	No	Yes	No	0.616	0.723	0.837	0.809	0.835
HO-3 / HV-3	Yes	No	Yes	No	Yes	Yes	0.616	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	Yes	Yes	No	No	0.608	0.716	0.829	0.809	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	No	Yes	0.608	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	No	0.608	0.716	0.829	0.801	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	Yes	0.608	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	Yes	No	No	No	No	0.659	0.701	0.804	0.791	0.804
HO-3 / HV-3	Yes	Yes	No	No	No	Yes	0.659	0.701	0.804	0.779	0.804
HO-3 / HV-3	Yes	Yes	No	No	Yes	No	0.659	0.701	0.804	0.791	0.804
HO-3 / HV-3	Yes	Yes	No	No	Yes	Yes	0.659	0.701	0.804	0.770	0.804
HO-3 / HV-3	Yes	Yes	No	Yes	No	No	0.650	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	No	Yes	0.650	0.693	0.796	0.770	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	No	0.650	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	Yes	0.650	0.693	0.796	0.770	0.796

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Revision to Account Discount Factors**

Current

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	Yes	Yes	Yes	No	No	No	0.599	0.701	0.799	0.791	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	No	Yes	0.599	0.701	0.799	0.779	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	No	0.599	0.701	0.799	0.791	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	Yes	0.599	0.701	0.799	0.770	0.799
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	No	0.590	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	Yes	0.590	0.693	0.796	0.770	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	No	0.590	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	Yes	0.590	0.693	0.796	0.770	0.796

\* Note: Only forms being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Proposed

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	Yes	No	No	No	No	No	0.704	0.753	0.867	0.847	0.865
HO-3 / HV-3	Yes	No	No	No	No	Yes	0.704	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	No	No	Yes	No	0.704	0.753	0.867	0.839	0.865
HO-3 / HV-3	Yes	No	No	No	Yes	Yes	0.704	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	No	Yes	No	No	0.697	0.746	0.859	0.839	0.857
HO-3 / HV-3	Yes	No	No	Yes	No	Yes	0.697	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	No	Yes	Yes	No	0.697	0.746	0.859	0.831	0.857
HO-3 / HV-3	Yes	No	No	Yes	Yes	Yes	0.697	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	Yes	No	No	No	0.646	0.753	0.867	0.847	0.865
HO-3 / HV-3	Yes	No	Yes	No	No	Yes	0.646	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	Yes	No	Yes	No	0.646	0.753	0.867	0.839	0.865
HO-3 / HV-3	Yes	No	Yes	No	Yes	Yes	0.646	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	Yes	Yes	No	No	0.638	0.746	0.859	0.839	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	No	Yes	0.638	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	No	0.638	0.746	0.859	0.831	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	Yes	0.638	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	Yes	No	No	No	No	0.689	0.731	0.834	0.821	0.834
HO-3 / HV-3	Yes	Yes	No	No	No	Yes	0.689	0.731	0.834	0.809	0.834
HO-3 / HV-3	Yes	Yes	No	No	Yes	No	0.689	0.731	0.834	0.821	0.834
HO-3 / HV-3	Yes	Yes	No	No	Yes	Yes	0.689	0.731	0.834	0.800	0.834
HO-3 / HV-3	Yes	Yes	No	Yes	No	No	0.680	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	No	Yes	0.680	0.723	0.826	0.800	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	No	0.680	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	Yes	0.680	0.723	0.826	0.800	0.826

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Proposed

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	Yes	Yes	Yes	No	No	No	0.629	0.731	0.829	0.821	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	No	Yes	0.629	0.731	0.829	0.809	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	No	0.629	0.731	0.829	0.821	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	Yes	0.629	0.731	0.829	0.800	0.829
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	No	0.620	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	Yes	0.620	0.723	0.826	0.800	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	No	0.620	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	Yes	0.620	0.723	0.826	0.800	0.826

\* Note: Only forms being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Roof Covering Factors

Current

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Corrugated Steel - Metal	0.950	1.000	1.000	1.000	1.000

Proposed

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Corrugated Steel - Metal	1.050	1.100	1.100	1.100	1.100

\* Note: Only factors being changed are shown.

**Arkansas DOI Objection Response Letter**  
**Quantum Homeowners and High Value Homeowners**  
**SERFF Tracking: TRVA-129563451**  
**Received: May 28, 2014**

**Objection 1**

**Comments:** Form HPCS must be submitted in both Excel spreadsheet and pdf format. Please attach an Excel version.

**Response:** The HPCS form has been submitted in both Excel and pdf format.

**Objection 2**

**Comments:** Provide additional supporting justification for the changes to the roof covering factors and loss discount factors.

**Response:**

**Roof Covering factors** – please see loss support for our change below

Roof Covering	Exposures	Total LRR	Factor Change
Corrugated Steel - Metal	3%	1.43	10.00%
All Else	97%	1.00	0.00%
Total	100%	1.00	

\*Due to lack of Credibility, the indicated is based on countrywide data, QTM Dwelling AY 2011-2013

**Loss Discount Factors**

In order to minimize renewal disruption when a policy experiences a loss, we have reduced the loss free discount. Ninety-seven percent of tenant policies are loss free.

**Objection 3**

**Comments:** Provide the impact of the changes to roof covering and loss free discount factors. Include the number of insureds effected by each change.

**Response:**

Change	All Forms Impact	Number of Insureds Effected
Roof Covering	+0.31%	591
Loss Free Discount	+0.07%	1,534

#### **Objection 4**

**Comments:** Please provide any preliminary loss figures available due to the April tornado

**Response:** Please reference our submission of “Arkansas Severe Storms Report on CAT40”.

#### **Objection 5**

**Comments:** Please include effective dates under the General Information tab.

**Response:** Effective dates have been included under the General Information tab.

Not subject to Freedom of Information Act, confidential information pursuant to  
§ 25-19-105(b)(9)(A) of the Arkansas Code Annotated



**Arkansas DOI Objection Response Letter  
Quantum Homeowners and High Value Homeowners  
SERFF Tracking: TRVA-129563451  
Received: June 27, 2014**

**Objection 1:**

Please amend the overall increase to 5%.

**Comments:**

We have revised the overall rate impact to the Arkansas Quantum Homeowners and High Value Homeowners filing to 4.98%.

State: Arkansas

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: Quantum Homeowners/High Value Homeowners

Project Name/Number: 636685/

First Filing Company: The Travelers Home and Marine Insurance Company, ...

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/06/2014		Supporting Document	FILING PACKAGE	07/07/2014	AR QTM HO 6-27-14_Ver 1.pdf (Superceded) AR QTM HO 7-11-14_Ver 2.pdf (Superceded)
05/28/2014		Supporting Document	HPCS-Homeowners Premium Comparison Survey	07/07/2014	AR QTM HO Survey - ACC.pdf (Superceded) AR QTM HO Survey - THM.pdf (Superceded) AR QTM HO Survey - ACC.xls (Superceded) AR QTM HO Survey - THM.xls (Superceded)
05/27/2014		Supporting Document	FILING PACKAGE	06/06/2014	AR QTM HO 6-27-14_Ver 1.pdf
05/27/2014		Rate	HO RATE MANUAL PAGES	07/04/2014	HO ACC_Base Rates.pdf (Superceded)
05/27/2014		Rate	HVH RATE MANUAL PAGES	07/04/2014	HVH ACC_Base_Rate.pdf (Superceded)
05/27/2014		Supporting Document	H-1 Homeowners Abstract	07/08/2014	ACC H-1 .pdf (Superceded) THM H-1.pdf (Superceded)
05/27/2014		Supporting Document	HPCS-Homeowners Premium Comparison Survey	05/28/2014	AR QTM HO Survey - ACC.pdf (Superceded) AR QTM HO Survey - THM.pdf (Superceded)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Table of Contents**

	Explanatory Memorandum
	Actuarial Memorandum
Exhibit 1	Statewide Rate Level Indication Summary
Exhibit 2	Statewide Rate Level Indication
Exhibit 3	Trended Premiums at Current Rates and Trended Ultimate Losses
Exhibit 4	Premium Trend
Exhibit 5	Loss Trend
Exhibit 6	Loss Development
Exhibit 7	Unallocated Loss Adjustment Expense Factor
Exhibit 8	Catastrophe Losses
Exhibit 9	Expenses and Permissible Loss & LAE Ratios
Exhibit 10	Calculation of Underwriting Profit
Exhibit 11	Revision to Base Rates
Exhibit 12	Revision to Loss Free Discount Factors
Exhibit 13	Revision to Account Discount Factors
Exhibit 14	Revision to Roof Covering Factors

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

### THE TRAVELERS HOME AND MARINE INSURANCE COMPANY TRAVELERS COMMERCIAL INSURANCE COMPANY

#### **Explanatory Memorandum**

##### Summary of changes

With this filing, we are proposing an overall impact of +9.83% for the Arkansas Quantum Homeowners and High Value Homeowners product. This proposal will include revisions to the following: Loss Free Discount factors, Account Discount factors, Roof Covering factors and base rates by peril and form. Please note that no policy will receive an impact greater than 25.00%.

The impact by form is listed below:

Policy Form	Rate Impact
Dwelling	9.90%
Tenant	9.90%
Total	9.83%

##### Rule of Application

This change applies to all new business issued and effective on or after 06/27/2014 and to all renewals issued on or after 06/27/2014 and effective on or after 08/16/2014.

In an effort to improve and update our indications process we are proposing the following changes to methodology and data.

##### Installment Fees

Installment fees are now incorporated in the indicated rate change calculation and are shown in Exhibit 9.

##### Calculation of Underwriting Profit (formerly Investment Income)

Exhibit 10 has been reconstructed to improve readability, with detailed calculations moved to the Explanatory Notes, labels clarified, and data sources noted. There are some methodology changes as well: A) The deduction for Delayed Remission of Premium on Page 3 is now calculated using the line-specific ratio of Agents' Balances in the course of collection to Unearned Premium Reserve, on a Direct basis. Previously we used the corporate-wide ratio of agents' balances in the course of collection to Earned Premium, on a Net basis. The change in components brings more accuracy, and the Direct basis matches the basis of the Unearned Premium Reserve. B) The Federal Income Tax Provision on Page 5 is now calculated as the average of the tax rates of the last three years, rather than only the last year, to produce a more stable result over time. In addition, the Net Investment Income and Dividends from Affiliates in this provision have been restated for consistency with our published statutory data. C) The calculation of the Average Rate of Return on Page 5 and the Deduction for Delayed Remission of Premium on Page 3 are now calculated as the straight average of the ratios for each of the three years, rather than one ratio based on three years of combined data, to give each year equal weight.

##### Unallocated Loss Adjustment Expenses (ULAE), and Calculation of Underwriting Profit

The countrywide data in Exhibit 7 (ULAE), and on pages 2-4 in Exhibit 10 (Underwriting Profit) have been revised to include additional data now available as a result of internal financial reporting changes.

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Actuarial Memorandum**Summary of Methodology

A rate level indication is a test of the adequacy of expected revenues compared to expected costs during the period for which the proposed rates will be in effect. Premiums from the historical experience period are brought to the current rate level by the parallelogram method and additionally adjusted for other trends in average premiums over time. Losses and Allocated Loss Adjustment Expense (ALAE)<sup>1</sup> are adjusted to account for expected development and other trends over time. Losses and ALAE are further adjusted to account for expected Unallocated Loss Adjustment Expense (ULAE)<sup>2</sup>. All catastrophe losses and ALAE during the experience period are excluded and replaced with a provision that represents the expected level of these. Finally, expenses and the target profit provision are determined and combined with the above to calculate the indication. These data elements are specific to state and form unless otherwise noted. Details are provided below.

**Experience**Experience Period Data – Exhibit 3

Calendar year earned premiums and accident year incurred losses and ALAE are used in the indication. Premiums are on a direct basis. Losses and ALAE in this exhibit exclude those arising from catastrophes. Five years of experience ending March 31, 2014 are used. Losses are evaluated as of March 31, 2014.

Premium Trend – Exhibit 4

Premium trend reflects distributional shifts over time in policy variables such as amount of insurance, deductible, territory, etc. The trend data consists of five years of average annual Earned Premium at Current Rate Level (EPCR). A two-step trending procedure is used. Historical and prospective annual premium trends are selected considering the data. Factors are calculated to account for both the selected historical trend from the midpoint of each experience period to the midpoint of the last calendar year of premium trend data, and the selected prospective trend from that date to the average earned date underlying the proposed rates.

Loss Trend – Exhibit 5

The loss trend data consists of five years of non-catastrophe, calendar year paid losses and ALAE for both the Travelers and ISO Fastrack data. Each row in the table represents the average of 12 months of data ending on the date shown. This is done to account for known seasonal variations within a 12-month period. Similar to the method utilized in the Premium Trend exhibit, a two-step trending procedure is used. Historical and prospective annual trends for frequency and severity are selected considering the data. Factors are calculated to account for both the selected historical trends from the midpoint of each experience period to the midpoint of the last calendar year of loss trend data, and the selected prospective trend from that date to the average loss date underlying the proposed rates.

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Actuarial Memorandum**Loss Development Factors (LDFs) – Exhibit 6

Losses and ALAE are developed to their expected ultimate paid value by applying LDFs. These factors use loss and ALAE data to calculate historical age-to-age link ratios that represent loss and ALAE development between different evaluation periods. Factors are selected considering the data.

Unallocated Loss Adjustment Expenses (ULAE) – Exhibit 7

Losses and ALAE are adjusted to account for expected ULAE. A provision is developed using three years of the Travelers countrywide, line-specific, calendar year paid data. The ratio of ULAE to net paid losses and ALAE is calculated for each year. The final selection is made using weights that mitigate the impact of extraordinary catastrophe losses in 2011.

Experience Loss & LAE Ratios – Exhibits 2 and 3

Premiums and losses are adjusted by the factors noted above. The Loss & LAE Ratio for each year is calculated by dividing the Trended Ultimate Losses & LAE by the Trended EPCR. Accident Year Weights are applied to determine the Weighted Loss & LAE Ratio.

**Catastrophe Provision**

Catastrophes are low frequency, high severity events whose average impact cannot always be fully and reasonably captured in a short experience period. Therefore, to properly account for the catastrophe hazard and maintain a degree of stability, it is necessary to eliminate actual catastrophe losses and ALAE from the experience period and to include a catastrophe provision which represents expected catastrophe losses and ALAE.

An event is categorized as a catastrophe according to the Insurance Services Office (ISO) definition. ISO defines a catastrophe as an occurrence such as a hailstorm, windstorm, tornado, hurricane, winter storm, wildfire, earthquake, etc., which results in insured property losses of \$25M or more (\$5M for experience years before 1997) and affects a significant number of policyholders and insurers.

Non-Hurricane Catastrophe Losses – Exhibit 8

A non-hurricane catastrophe adjustment factor called the Weighted Catastrophe Loss Multiplier (WCLM) is applied to the non-catastrophe Loss & LAE Ratio to produce the Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio. The factor is selected based upon the long term (1994-2013) observed overall ratio of the Travelers historical non-hurricane catastrophe losses to non-catastrophe losses. This loss history contains all homeowners forms combined, as it is not readily available by form for all of those years.

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Actuarial Memorandum****Expenses And Profit – Exhibits 9 and 10**

Expenses are specific to each line of business. Fixed Expenses include Other Acquisition and General Expenses, and Installment Fees. Variable Expenses include Commissions as well as Taxes, Licenses and Fees. All expense provisions in Exhibit 9 are determined based on data that reconciles with the company's financial statements. The Other Acquisition and General Expenses are countrywide for all Travelers Personal Insurance writing companies, whereas the Variable Expenses and Installment Fees are state-specific for the writing companies in this filing. Exhibit 10 provides the details that support the selection of the Target Before-Tax Underwriting Profit.

The Variable Expenses and Profit Margin are subtracted from 100% to yield the Permissible Loss, LAE and Fixed Expense Ratio. All expenses and the Profit Margin are subtracted from 100% to yield the Permissible Loss & LAE Ratio.

**Indicated Rate Level Change – Exhibit 2**Credibility

The full credibility standard is 18,750 earned house years for Dwelling and 3,750 earned house years for Tenant. Credibility is calculated by dividing the total earned house years in the experience period by the full credibility standard, taking the square root, and capping the result at 1.00.

Complement of Credibility

The complement of credibility is the Trended Permissible Loss & LAE Ratio. The formula for this complement is shown at the bottom of the exhibit; the calculation applies net prospective trend to the Permissible Loss & LAE Ratio for the time period between the effective date of the most recent approved filing and the proposed effective date of the current filing.

Indication

The Total Loss & LAE Ratio is credibility weighted with the Trended Permissible Loss & LAE Ratio to produce the Credibility Weighted Loss & LAE Ratio. This ratio, plus Fixed Expenses, is divided by the Permissible Loss, LAE and Fixed Expense Ratio to produce the Indicated Rate Level Change.

<sup>1</sup> ALAE corresponds to Defense and Cost Containment (DCC) expenses in our statutory financial reporting.

<sup>2</sup> ULAE corresponds to Adjusting and Other (AAO) expenses in our statutory financial reporting.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Statewide Rate Level Indication Summary**

<u>Policy Forms</u>	Accident	Indicated	Proposed
	Year Ending		
	03/31/2014	Rate Level	Rate Level
	<u>EPCR</u>	<u>Change</u>	<u>Change</u>
Dwelling	25,920,620	18.20%	9.90%
Tenant	527,040	52.43%	9.90%



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Statewide Rate Level Indication**

Dwelling Policy Forms

Accident Year Ending 03/31	Earned House Years (1)	Trended EPCR (2)	Trended Ultimate Loss & LAE (3)	Incurred Claim Count (4)	Accident Year Weights (5)	Projected Loss & LAE Ratio (6) = (3) / (2)
2010	14,241	19,824,509	14,365,190	1,115	16%	72.5%
2011	18,725	26,269,377	13,783,999	927	21%	52.5%
2012	19,225	27,098,095	12,148,281	1,085	22%	44.8%
2013	18,286	25,661,672	10,717,642	1,049	21%	41.8%
2014	17,673	24,597,547	10,316,924	763	20%	41.9%
(7) Weighted Loss & LAE Ratio = sum [(5) x (6)]						49.6%
(8) Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio = (7) x WCLM						69.5%
(9) Credibility= [(1) / 18,750] ^ 0.5, cap result at 1.00						100.0%
(10) Trended Permissible Loss & LAE Ratio						61.8%
(11) Credibility Weighted Loss & LAE Ratio = (8) x (9) + (10) x [1.0 - (9)]						69.5%
(12) Permissible Loss, LAE and Fixed Expense Ratio						66.7%
(13) Indicated Rate Level Change = [(11) + (FE)] / (12) - 1.0						18.20%
(14) Proposed Rate Level Change						9.90%

Notes:

(8) WCLM = Weighted Catastrophe Loss Multiplier, from Exhibit 8

(10) Trended Permissible Loss & LAE Ratio =  
Permissible Loss & LAE Ratio  
x [(1.0 + Frequency Trend) x (1.0 + Severity Trend) / (1.0 + Premium Trend)]  
^ [(Effective Date – Prior Effective Date) / 365]

(13) FE = Fixed Expense, from Exhibit 9

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Statewide Rate Level Indication

Tenant Policy Forms

Accident Year Ending 03/31	Earned House Years (1)	Trended EPCR (2)	Trended Ultimate Loss & LAE (3)	Incurred Claim Count (4)	Accident Year Weights (5)	Projected Loss & LAE Ratio (6) = (3) / (2)
2010	1,653	478,061	362,957	38	16%	75.9%
2011	2,087	602,676	505,080	44	21%	83.8%
2012	2,386	695,643	285,361	44	24%	41.0%
2013	2,093	591,138	343,367	55	21%	58.1%
2014	1,791	523,678	411,681	36	18%	78.6%
(7) Weighted Loss & LAE Ratio = sum [(5) x (6)]						65.9%
(8) Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio = (7) x WCLM						92.4%
(9) Credibility= [(1) / 3,750] ^ 0.5, cap result at 1.00						100.0%
(10) Trended Permissible Loss & LAE Ratio						58.2%
(11) Credibility Weighted Loss & LAE Ratio = (8) x (9) + (10) x [1.0 - (9)]						92.4%
(12) Permissible Loss, LAE and Fixed Expense Ratio						66.7%
(13) Indicated Rate Level Change = [(11) + (FE)] / (12) - 1.0						52.43%
(14) Proposed Rate Level Change						9.90%

Notes:

(8) WCLM = Weighted Catastrophe Loss Multiplier, from Exhibit 8

(10) Trended Permissible Loss & LAE Ratio =  
Permissible Loss & LAE Ratio  
x [(1.0 + Frequency Trend) x (1.0 + Severity Trend) / (1.0 + Premium Trend)]  
^ [(Effective Date – Prior Effective Date) / 365]

(13) FE = Fixed Expense, from Exhibit 9

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Trended Premiums at Current Rates and Trended Ultimate Losses**

Dwelling Policy Forms

Accident Year Ending 3/31	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Premiums</b>					
(1) Earned Premium	13,614,356	19,739,959	22,362,629	23,232,381	24,344,401
(2) Earned Premium at Current Rates Factor	1.675	1.497	1.334	1.190	1.065
(3) Earned Premium at Current Rates = (1) x (2)	22,798,973	29,557,847	29,831,286	27,639,383	25,920,620
(4) Premium Trend Factor	0.870	0.889	0.908	0.928	0.949
(5) Trended Earned Premium at Current Rates = (3) x (4)	19,824,509	26,269,377	27,098,095	25,661,672	24,597,547
<b>Losses</b>					
(6) Incurred Losses & ALAE	11,000,409	10,754,444	9,684,871	8,743,750	7,671,792
(7) Loss Development Factor	1.002	1.003	1.002	0.998	1.117
(8) Ultimate Losses & ALAE = (6) x (7)	11,021,935	10,788,584	9,699,443	8,729,190	8,571,715
(9) ULAE Factor	1.124	1.124	1.124	1.124	1.124
(10) Ultimate Losses & LAE = (8) x (9)	12,390,077	12,127,760	10,903,425	9,812,735	9,635,713
(11) Loss Trend Factor	1.159	1.137	1.114	1.092	1.071
(12) Trended Ultimate Losses & LAE = (10) x (11)	14,365,190	13,783,999	12,148,281	10,717,642	10,316,924

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Trended Premiums at Current Rates and Trended Ultimate Losses**

Tenant Policy Forms					
Accident Year Ending 3/31	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Premiums</u>					
(1) Earned Premium	392,887	490,234	577,420	538,990	504,649
(2) Earned Premium at Current Rates Factor	1.427	1.388	1.309	1.147	1.044
(3) Earned Premium at Current Rates = (1) x (2)	560,824	680,433	755,871	618,171	527,040
(4) Premium Trend Factor	0.852	0.886	0.920	0.956	0.994
(5) Trended Earned Premium at Current Rates = (3) x (4)	478,061	602,676	695,643	591,138	523,678
<u>Losses</u>					
(6) Incurred Losses & ALAE	317,331	441,459	249,416	301,215	324,225
(7) Loss Development Factor	1.000	1.000	1.000	0.997	1.110
(8) Ultimate Losses & ALAE = (6) x (7)	317,331	441,589	249,489	300,204	359,930
(9) ULAE Factor	1.124	1.124	1.124	1.124	1.124
(10) Ultimate Losses & LAE = (8) x (9)	356,721	496,403	280,458	337,468	404,608
(11) Loss Trend Factor	1.017	1.017	1.017	1.017	1.017
(12) Trended Ultimate Losses & LAE = (10) x (11)	362,957	505,080	285,361	343,367	411,681

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Premium Trend**

Dwelling Policy Forms

Calendar Year <u>Ending</u>	Average Annual Earned Premium <u>at Current Rates</u>	Annual <u>Change</u>
03/31/2010	1,600.90	
03/31/2011	1,578.49	-1.4%
03/31/2012	1,551.72	-1.7%
03/31/2013	1,511.49	-2.6%
03/31/2014	1,466.67	-3.0%
Fitted Annual Trend 5 point	-2.2%	
Selected Historical Annual Trend	-2.2%	
Selected Prospective Annual Trend	-3.0%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period <u>Ending</u> (a)	Historical Trend Period (months) (b)	Factor to Adjust to 9/30/2013 (c)	Prospective Trend Period (months) (d)	Factor to Adjust from 09/30/2013 to 06/27/2015 (e)	Premium Trend Factor (f)
03/31/2010	48	0.916	20.9	0.949	0.870
03/31/2011	36	0.937	20.9	0.949	0.889
03/31/2012	24	0.957	20.9	0.949	0.908
03/31/2013	12	0.978	20.9	0.949	0.928
03/31/2014	0	1.000	20.9	0.949	0.949

Notes:

Fitted Annual Trend is calculated using exponential fits

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $(1 + \text{Historical Premium Trend})^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $(1 + \text{Prospective Premium Trend})^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Premium Trend**

Tenant Policy Forms

Calendar Year <u>Ending</u>	Average Annual Earned Premium <u>at Current Rates</u>	Annual <u>Change</u>
03/31/2010	339.19	
03/31/2011	326.05	-3.9%
03/31/2012	316.78	-2.8%
03/31/2013	295.34	-6.8%
03/31/2014	294.25	-0.4%
Fitted Annual Trend 5 point	-3.8%	
Selected Historical Annual Trend	-3.8%	
Selected Prospective Annual Trend	-0.4%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period <u>Ending</u> (a)	Historical Trend Period (months) (b)	Factor to Adjust to 9/30/2013 (c)	Prospective Trend Period (months) (d)	Factor to Adjust from 09/30/2013 to 06/27/2015 (e)	Premium Trend Factor (f)
03/31/2010	48	0.858	20.9	0.994	0.852
03/31/2011	36	0.891	20.9	0.994	0.886
03/31/2012	24	0.926	20.9	0.994	0.920
03/31/2013	12	0.962	20.9	0.994	0.956
03/31/2014	0	1.000	20.9	0.994	0.994

Notes:

Fitted Annual Trend is calculated using exponential fits

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $(1 + \text{Historical Premium Trend})^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $(1 + \text{Prospective Premium Trend})^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Trend

Dwelling Policy Forms

Calendar Year Ending	Frequency (per 100 Exposures)		Severity	
	Travelers	ISO Fastrack	Travelers	ISO Fastrack
03/31/2009		6.14		8,168
06/30/2009	3.36	6.43	14,680	8,143
09/30/2009	5.09	7.16	11,179	7,942
12/31/2009	5.76	6.82	8,545	7,987
03/31/2010	7.93	6.89	7,424	8,032
06/30/2010	8.77	6.88	8,247	8,298
09/30/2010	7.11	6.35	9,017	8,247
12/31/2010	6.57	6.26	9,773	8,281
03/31/2011	6.09	6.26	10,118	8,643
06/30/2011	5.73	6.75	8,970	8,097
09/30/2011	6.07	7.10	9,788	8,200
12/31/2011	6.19	6.96	9,887	8,514
03/31/2012	6.46	6.61	8,823	8,485
06/30/2012	5.98	5.86	9,129	8,859
09/30/2012	5.45	5.50	9,017	8,968
12/31/2012	5.55	5.51	8,036	8,715
03/31/2013	6.55	5.99	7,486	8,199
06/30/2013	6.62	6.02	7,681	8,198
09/30/2013	6.48	5.76	7,148	8,303
12/31/2013	6.00	5.60	8,511	8,232
03/31/2014	4.90		10,436	
Fitted Annual Trend				
20 point	0.9%	-3.6%	-4.9%	1.1%
12 point	-1.5%	-7.0%	-4.5%	-0.6%
8 point	-2.1%	-4.2%	1.5%	-4.0%
4 point	-32.5%	-9.3%	54.9%	1.0%
Selected Historical Annual Trend				
	Frequency		Severity	
	1.0%		1.0%	
Selected Prospective Annual Trend				
	0.0%		4.0%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 09/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Loss Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	1.083	20.9	1.071	1.159
03/31/2011	36	1.062	20.9	1.071	1.137
03/31/2012	24	1.041	20.9	1.071	1.114
03/31/2013	12	1.020	20.9	1.071	1.092
03/31/2014	0	1.000	20.9	1.071	1.071

Notes:

Travelers and ISO Fastrack data are statewide, calendar year, paid losses and ALAE, excluding catastrophes

Fitted Annual Trend is calculated using exponential fits.

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $[(1 + \text{Historical Frequency Trend}) \times (1 + \text{Historical Severity Trend})]^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $[(1 + \text{Prospective Frequency Trend}) \times (1 + \text{Prospective Severity Trend})]^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Trend

Tenant Policy Forms

Calendar Year Ending	Frequency (per 100 Exposures)		Severity	
	Travelers	ISO Fastrack	Travelers	ISO Fastrack
03/31/2009		2.46		3,789
06/30/2009	2.67	2.38	7,240	3,681
09/30/2009	2.40	2.49	8,684	4,172
12/31/2009	2.34	2.48	10,198	4,419
03/31/2010	2.16	2.46	10,086	4,609
06/30/2010	1.82	2.51	8,979	5,130
09/30/2010	2.12	2.59	7,396	5,004
12/31/2010	2.03	2.57	6,400	4,942
03/31/2011	2.09	2.54	7,570	4,986
06/30/2011	2.40	2.64	8,874	4,500
09/30/2011	2.28	2.62	8,929	4,373
12/31/2011	2.06	2.66	9,142	4,498
03/31/2012	1.96	2.63	8,528	4,488
06/30/2012	1.75	2.49	7,268	4,508
09/30/2012	1.61	2.47	8,766	4,501
12/31/2012	1.88	2.54	6,058	4,057
03/31/2013	2.56	2.62	4,947	3,826
06/30/2013	2.62	2.66	4,953	4,350
09/30/2013	2.87	2.58	4,425	4,614
12/31/2013	2.75	2.36	6,805	5,022
03/31/2014	1.90		7,927	
Fitted Annual Trend				
20 point	0.3%	0.7%	-8.8%	1.2%
12 point	6.0%	-1.5%	-16.6%	-1.2%
8 point	24.2%	-1.5%	-7.3%	3.6%
4 point	-33.3%	-13.0%	108.8%	41.9%
Selected Historical Annual Trend				
	Frequency		Severity	
	0.0%		0.0%	
Selected Prospective Annual Trend				
	0.0%		1.0%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 09/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Loss Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	1.000	20.9	1.017	1.017
03/31/2011	36	1.000	20.9	1.017	1.017
03/31/2012	24	1.000	20.9	1.017	1.017
03/31/2013	12	1.000	20.9	1.017	1.017
03/31/2014	0	1.000	20.9	1.017	1.017

Notes:

Travelers and ISO Fastrack data are statewide, calendar year, paid losses and ALAE, excluding catastrophes

Fitted Annual Trend is calculated using exponential fits.

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $[(1 + \text{Historical Frequency Trend}) \times (1 + \text{Historical Severity Trend})]^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $[(1 + \text{Prospective Frequency Trend}) \times (1 + \text{Prospective Severity Trend})]^{(d) / 12}$

(f) = (c) x (e)



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Development

Dwelling Policy Forms

Incurred Losses Including ALAE

Accident Year Ending 03/31	Evaluation Month:									
	12	24	36	48	60	72	84	96	108	120
2005	5,125,683	5,664,292	5,595,136	5,356,947	5,353,631	5,352,919	5,352,919	5,352,919	5,357,814	5,362,724
2006	6,021,288	7,300,051	7,567,320	7,603,461	7,593,986	7,784,155	7,789,934	7,822,558	7,815,033	
2007	9,573,900	9,930,088	9,943,960	9,905,302	9,908,671	9,915,101	9,925,101	9,937,843		
2008	10,147,756	12,308,197	12,128,077	11,848,339	11,902,271	11,776,082	11,776,082			
2009	12,919,014	13,537,045	13,514,790	13,506,444	12,838,129	12,889,987				
2010	13,889,815	17,016,401	16,984,754	16,976,453	17,462,474					
2011	11,854,264	13,133,011	13,054,328	13,083,901						
2012	12,530,413	13,420,393	13,715,006							
2013	9,364,996	11,037,597								
2014	8,851,149									

Development Factors

Accident Year Ending 03/31	Development Period:								
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
2005	1.105	0.988	0.957	0.999	1.000	1.000	1.000	1.001	1.001
2006	1.212	1.037	1.005	0.999	1.025	1.001	1.004	0.999	
2007	1.037	1.001	0.996	1.000	1.001	1.001	1.001		
2008	1.213	0.985	0.977	1.005	0.989	1.000			
2009	1.048	0.998	0.999	0.951	1.004				
2010	1.225	0.998	1.000	1.029					
2011	1.108	0.994	1.002						
2012	1.071	1.022							
2013	1.179								

Average Development Factors

	Development Period:								
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120
All yr avg	1.133	1.003	0.991	0.997	1.004	1.000	1.002	1.000	1.001
All yr avg excluding Hi/Lo	1.134	1.000	0.995	1.001	1.002	1.000	1.001		
5 yr avg	1.126	1.000	0.995	0.997	1.004				
5 yr avg excluding Hi/Lo	1.119	0.997	0.998	1.001	1.002				
4 yr avg	1.146	1.003	0.995	0.996	1.005	1.000			
4 yr avg excluding Hi/Lo	1.143	0.998	0.999	1.002	1.002	1.000			
3 yr avg	1.119	1.005	1.000	0.995	0.998	1.001	1.002		
Selected LDF	1.119	0.997	0.998	1.001	1.002	1.000	1.000	1.000	1.000
Cumulative LDF	12 to Ult.	24 to Ult.	36 to Ult.	48 to Ult.	60 to Ult.	72 to Ult.	84 to Ult.	96 to Ult.	108 to Ult.
	1.117	0.998	1.002	1.003	1.002	1.000	1.000	1.000	1.000

[illegible]

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

## ALL COMPANIES COMBINED

**Unallocated Loss Adjustment Expense Factor**

## Homeowners

<u>Calendar Year</u>	<u>Paid ULAE</u> (1)	<u>Paid Losses &amp; ALAE</u> (2)	<u>ULAE Factor</u> (3) = 1.0 + (1) / (2)
2010	\$229,584,398	\$1,786,320,178	1.129
2011	\$273,198,476	\$2,764,994,002	1.099
2012	\$272,974,777	\$2,061,810,074	1.132
Selected			1.124

Notes:

Countrywide data, on a Net basis

Selected is an average using weights that mitigate the extraordinary catastrophe losses in 2011

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

## ALL COMPANIES COMBINED

**Catastrophe Losses**  
**Weighted Catastrophe Loss Multiplier**

## All Policy Forms Combined

Calendar Year	Total Incurred Losses	Catastrophe Hurricane Losses	Catastrophe Earthquake Losses	Other Catastrophe Losses	Non-Catastrophe Incurred Losses
	(1)	(2)	(3)	(4)	(5) = (1) - (2) - (3) - (4)
1994	33,681	0	0	0	33,681
1995	45,350	0	0	0	45,350
1996	16,622	0	0	3,250	13,372
1997	94,083	0	0	3,376	90,707
1998	140,013	0	0	21,130	118,883
1999	1,226,638	0	0	247,702	978,936
2000	667,848	0	0	85,139	582,709
2001	928,813	0	0	260,322	668,491
2002	1,322,681	0	0	120,703	1,201,978
2003	2,845,528	0	0	159,373	2,686,155
2004	4,007,483	0	0	301,816	3,705,667
2005	7,590,058	357,668	0	235,707	6,996,683
2006	12,961,298	127,285	0	1,737,918	11,096,095
2007	9,496,630	0	0	607,031	8,889,599
2008	29,256,103	1,756,392	0	10,830,292	16,669,419
2009	21,028,954	259,297	0	9,113,355	11,656,302
2010	18,961,689	6,378	0	2,629,912	16,325,399
2011	31,743,407	530	0	16,728,390	15,014,487
2012	11,882,875	0	0	2,690,266	9,192,609
2013	13,735,932	0	0	1,561,540	12,174,392
20-Year Total	167,985,686	2,507,550	0	47,337,222	118,140,914
(6)	Ratio of Other Catastrophe to Non-Catastrophe Total Losses = (4) / (5)				0.401
(7)	Weighted Catastrophe Loss Multiplier (WCLM) = 1.0 + (6)				1.401

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Expenses and Permissible Loss & LAE Ratios**

<u>Fixed Expense</u>	
(1) Other Acquisition and General Expenses	10.0%
(2) Installment Fees	-0.6%
(3) Total Fixed Expense = (1) + (2)	9.4%
<u>Variable Expense</u>	
(4) Commissions	18.1%
(5) Taxes, Licenses and Fees	3.8%
(6) Total Variable Expense = (4) + (5)	21.9%
(7) Profit Margin	11.4%
(8) Permissible Loss, LAE and Fixed Expense Ratio = 100% - (6) - (7)	66.7%
(9) Permissible Loss & LAE Ratio = 100% - (3) - (6) - (7)	57.4%

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Calculation of Underwriting Profit  
Summary Exhibit**

	<u>Homeowners</u>
A. <u>Direct Earned Premium</u>	23,873,895
B. <u>Funds Available for Investment from Unearned Premium Reserve</u>	
1. Direct Mean Unearned Premium Reserve (see Page 2)	12,686,844
2. Deduction for Federal Taxes (see Page 2)	24,055
3. Deduction for Prepaid Expenses (see Page 2)	3,405,851
4. Deduction for Delayed Remission of Premium (see Page 3)	4,181,908
5. Net Available for Investment = B1 - B2 - B3 - B4	5,075,030
C. <u>Funds Available for Investment from Loss &amp; LAE Reserve</u>	
1. Expected Mean Loss & LAE Reserve (see Page 3)	5,718,315
2. Deduction for Federal Taxes (see Page 4)	(46,934)
3. Net Available for Investment = C1 - C2	5,765,249
D. <u>Policyholder Surplus (see Page 5)</u>	20,700,000
E. <u>Net Available for Investment = B5 + C3 + D</u>	31,540,279
F. <u>Average Rate of Return (see Page 5)</u>	4.5%
G. <u>Projected Investment Earnings = E x F</u>	1,425,226
H. <u>Before Tax Return (% of EP) = G / A</u>	6.0%
I. <u>Federal Income Tax Provision (see Page 5)</u>	18.6%
J. <u>After-Tax Return (% of EP) = H x (100% - I)</u>	4.9%
K. <u>Target After-Tax Total Return (% of EP) (see Page 5)</u>	13.0%
L. <u>Target After-Tax Underwriting Profit (% of EP) = K - J</u>	8.1%
M. <u>Target Before-Tax Underwriting Profit (% of EP) = L / 0.65</u>	12.5%
N. <u>Selected Target Before-Tax Underwriting Profit</u>	11.4%

The Target After-Tax Total Return on earned premium from underwriting and investment activities is 13.0%.

Since the after-tax return on homeowners earned premium from investment earnings is 4.9%, the difference of 8.1% is the projected after-tax underwriting profit. Assuming a tax rate of 35%, the before-tax underwriting profit is 12.5% as a percent of earned premium.

Notes:

A. Direct Earned Premium: State data, Page 14, Column 2, for 2012

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

B. Funds Available for Investment from Unearned Premium Reserve

1. Direct Mean Unearned Premium Reserve	<u>Homeowners</u>
(a) Direct unearned premium reserve as of 12/2011	12,515,020
(b) Direct unearned premium reserve as of 12/2012	12,858,668
(c) Direct mean unearned premium reserve = (a + b) / 2	12,686,844

2. Deduction for Federal Taxes: The Internal Revenue Code allows only 80% of the change in unearned premium reserve as a deduction. The limitation of the deduction is accomplished through an adjustment to statutory income whereby 20% of the unearned premium reserve change is added to statutory income for tax purposes.

$$\text{Deduction} = 0.35 \times 0.20 \times (B1(b) - B1(a)) \quad 0.35 \times 0.20 \times (12,858,668 - 12,515,020) = \quad 24,055$$

3. Deduction for Prepaid Expenses: Production costs and a large part of the other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures.

(a) Commissions	18.10%
(b) Taxes, Licenses, and Fees	3.77%
(c) 50% of Other Acquisition	1.72%
(d) 50% of General	3.26%
(e) Total (% of premium)	26.85%

$$(f) \text{ Deduction} = B1(c) \times B3(e) \quad 12,686,844 \times 26.85\% = \quad 3,405,851$$

Notes:

(Data for year 2012 unless noted otherwise)

B1(a,b) State data, Page 14, Column 4

B3(a) [(Base Commission) + (3-Year Average Supplemental Commission)] / (State data, Page 14, Column 1)

Commissions are state data from the financial database that reconciles to Page 14

B3(b) (State data, Page 14, Column 12) / (State data, Page 14, Column 1)

B3(c) Countrywide data from the financial database that reconciles to IEE, Part III, Column 27

B3(d) Countrywide data from the financial database that reconciles to IEE, Part III, Column 29

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

B. **Funds Available for Investment from Unearned Premium Reserve (continued)**

4. Deduction for Delayed Remission of Premium: The ratio used for the Average Uncollected Balance is the countrywide agents' balances in the course of collection as a percentage of mean unearned premium reserve. This ratio is multiplied by the state mean unearned premium reserve to determine the deduction.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Direct Agents' Balances	560,513,044	583,022,285	583,798,490	
(b) Direct Mean Unearned Premium Reserve	1,653,096,976	1,776,824,784	1,814,829,010	
(c) Average Uncollected Balance Ratio = a / b	33.9%	32.8%	32.2%	33.0%
(d) Deduction = B1(c) x B4(c) <sub>Average</sub>	12,686,844 x 33.0% =		4,181,908	

C. **Funds Available for Investment from Loss & LAE Reserve**

This is determined by multiplying the expected Incurred Loss & LAE by the Mean Loss & LAE Reserve Ratio and deducting for Federal Taxes payable on loss reserves.

1. Expected Mean Loss & LAE Reserve

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Net Paid Loss & LAE	2,015,904,576	3,038,192,478	2,334,784,851	
(b) Net Loss & LAE Reserve as of end of prior year	871,686,526	1,004,857,491	1,118,891,945	
(c) Net Loss & LAE Reserve as of end of year	1,004,857,491	1,118,891,945	1,085,983,309	
(d) Net Incurred Loss & LAE = a + c - b	2,149,075,541	3,152,226,932	2,301,876,215	
(e) Net Mean Loss & LAE Reserve = (b + c) / 2	938,272,009	1,061,874,718	1,102,437,627	
(f) Reserve Ratio = e / d	0.4366	0.3369	0.4789	0.4175
(g) Permissible Loss & LAE Ratio (see Exhibit 9)			57.38%	
(h) Expected Mean Loss & LAE Reserve = A x C1(g) x C1(f) <sub>Average</sub>	23,873,895 x 57.38% x 0.4175 =		5,718,315	

Notes:

B4(a) Countrywide Homeowners data from the financial database that reconciles to IEE, Part III, Column 21

B4(b) Countrywide Homeowners data from the financial database that reconciles to IEE, Part III, Column 19

C1(a,b,c) Countrywide Homeowners data from the financial database that reconciles to IEE, Part II



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

C. **Funds Available for Investment from Loss & LAE Reserve (continued)**

2. Deduction for Federal Taxes Payable on Loss Reserves

Year of Loss	Statutory Reserves ( <i>Undiscounted</i> )		Tax Reserves ( <i>Discounted</i> )	
	2011	2012	2011	2012
2001 & Prior	5,255,933	6,182,829	5,026,607	5,986,060
2002	1,681,435	279,783	1,559,767	266,288
2003	2,373,927	1,508,658	2,088,830	1,406,923
2004	3,362,241	2,154,869	3,045,135	1,913,031
2005	37,871,767	33,769,751	33,886,715	30,839,196
2006	8,988,741	5,501,885	8,086,179	4,964,473
2007	20,933,312	11,429,649	18,828,619	10,306,842
2008	49,103,278	20,424,660	44,272,634	18,297,122
2009	73,375,018	33,010,356	66,272,572	29,689,144
2010	174,671,967	77,995,885	158,428,282	70,809,458
2011	807,686,005	233,816,158	761,283,120	213,683,536
2012		724,206,301		686,745,097
Total	1,185,303,625	1,150,280,785	1,102,778,460	1,074,907,170
			2011	2012
(a) Ratio of Total Tax to Total Statutory Reserves			0.9304	0.9345
(b) Arkansas Homeowners Loss & ALAE Reserve as of 12/2011 x (ULAE Factor)				
6,366,402 x 1.124 =				7,155,836
(c) Arkansas Homeowners Loss & ALAE Reserve as of 12/2012 x (ULAE Factor)				
4,943,483 x 1.124 =				5,556,475
(d) Deduction = 0.35 x [c - b - (c x a <sub>2012</sub> ) + (b x a <sub>2011</sub> )]				
0.35 x [5,556,475 - 7,155,836 - (5,556,475 x 0.9345) + (7,155,836 x 0.9304)] =				(46,934)

Notes:

C2(a) 2012 Federal Tax Return supporting documentation, Countrywide data  
C2(b,c) State data, Page 14, Column 7 and Column 10

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Calculation of Underwriting Profit**  
**Explanatory Notes**

**D. Policyholder Surplus**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Year End Property Casualty Policyholder Surplus	19,510,628,060	18,586,650,960	19,317,409,143	
(b) Direct Written Premium	21,541,288,707	22,206,993,630	22,695,957,856	
(c) Premium to Surplus Ratio = b / a	1.10	1.19	1.17	1.15
(d) Direct Earned Premium (see Page 1, Item A)			23,873,895	
(e) Allocated Policyholder Surplus = d / c <small>Average</small>			20,700,000	

**F. Average Rate of Return**

The average rate of return is based on the three-year average ratio of net investment earnings to invested assets.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Net Investment Income	3,211,248,419	2,749,874,457	2,737,689,177	
(b) Net Realized Capital Gains	(146,038,854)	13,192,798	59,550,223	
(c) Invested Assets	64,670,591,711	62,801,070,216	63,331,666,728	
(d) Average Rate of Return = (a + b) / c	4.7%	4.4%	4.4%	4.5%

**I. Federal Income Tax Provision**

Detailed below is the calculation of the Federal Income Tax rate on Net Investment Income earned for Travelers Property Casualty Corporation. (Dollars are in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Average</u>
(a) Net Investment Income (NII)	3,211,248	2,749,874	2,737,689	
(b) Dividends from Affiliates	(197,700)	0	0	
(c) Tax Exempt Interest (TEI)	(1,577,345)	(1,486,899)	(1,404,197)	
(d) 70% Dividends Received Deduction (DRD)	(6,138)	(9,336)	(10,008)	
(e) 42% DRD	(2,059)	(1,845)	(1,833)	
(f) 15% Proration Adj. on TEI and DRD = 0.15 x (c + d + e)	237,526	224,491	211,541	
(g) Other Adjustments	(9,554)	(23,134)	(31,573)	
(h) Taxable NII = a + b + c + d + e + f + g	1,655,978	1,453,151	1,501,619	
(i) Tax on NII = h x 0.35	579,592	508,603	525,567	
(j) Federal Income Tax Rate on NII = i / a	18.0%	18.5%	19.2%	18.6%

**K. Target After-Tax Total Return**

	<u>2012</u>
(a) Target Return on Equity	15.0%
(b) Target Return on Earned Premium = K(a) / D(c) <small>Average</small>	13.0%

**Notes:**

D(a) Consolidated Annual Statement, Page 3, Line 37

D(b) Consolidated Annual Statement, Page 8, Line 35, Column 1

F(a) Consolidated Annual Statement, Page 4, Line 9

F(b) Consolidated Annual Statement, Page 4, Line 10

F(c) Mean of current year and prior year:

[(Consolidated Annual Statement, Page 2, Line 12, Column 3) - (Consolidated Annual Statement Page 2, Line 5 (cash))]

I(a) Consolidated Annual Statement, Page 4, Line 9

I(b,c,d,e,f,g) Federal Income Tax Provision

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Base Rates

Current

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1237.640	117.520	157.210	321.160	43.130
HO-4	237.080	36.080	120.550	20.940	6.650
HV-3	1569.290	157.110	238.320	431.330	58.000

Proposed

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1322.140	122.430	168.230	354.460	47.790
HO-4	253.190	41.800	128.490	20.900	7.200
HV-3	1676.440	163.660	255.020	476.580	64.260

\*Note: Only rates being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS  
THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Loss Free Discount Factors

Current

Loss Free Discount						
Form	Loss Free Years	P1	P2	P3	P5	P6
HO-4	<3	1.000	1.000	1.000	1.000	1.000
HO-4	= or >3 but <5	0.501	0.518	0.447	0.635	0.421
HO-4	=or >5	0.501	0.518	0.447	0.635	0.421

Proposed

Loss Free Discount						
Form	Loss Free Years	P1	P2	P3	P5	P6
HO-4	<3	1.000	1.000	1.000	1.000	1.000
HO-4	= or >3 but <5	0.526	0.544	0.469	0.667	0.442
HO-4	=or >5	0.526	0.544	0.469	0.667	0.442

\* Note: Only factors being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Current

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	Yes	No	No	No	No	No	0.674	0.723	0.837	0.817	0.835
HO-3 / HV-3	Yes	No	No	No	No	Yes	0.674	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	No	No	Yes	No	0.674	0.723	0.837	0.809	0.835
HO-3 / HV-3	Yes	No	No	No	Yes	Yes	0.674	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	No	Yes	No	No	0.667	0.716	0.829	0.809	0.827
HO-3 / HV-3	Yes	No	No	Yes	No	Yes	0.667	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	No	Yes	Yes	No	0.667	0.716	0.829	0.801	0.827
HO-3 / HV-3	Yes	No	No	Yes	Yes	Yes	0.667	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	Yes	No	No	No	0.616	0.723	0.837	0.817	0.835
HO-3 / HV-3	Yes	No	Yes	No	No	Yes	0.616	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	Yes	No	Yes	No	0.616	0.723	0.837	0.809	0.835
HO-3 / HV-3	Yes	No	Yes	No	Yes	Yes	0.616	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	Yes	Yes	No	No	0.608	0.716	0.829	0.809	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	No	Yes	0.608	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	No	0.608	0.716	0.829	0.801	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	Yes	0.608	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	Yes	No	No	No	No	0.659	0.701	0.804	0.791	0.804
HO-3 / HV-3	Yes	Yes	No	No	No	Yes	0.659	0.701	0.804	0.779	0.804
HO-3 / HV-3	Yes	Yes	No	No	Yes	No	0.659	0.701	0.804	0.791	0.804
HO-3 / HV-3	Yes	Yes	No	No	Yes	Yes	0.659	0.701	0.804	0.770	0.804
HO-3 / HV-3	Yes	Yes	No	Yes	No	No	0.650	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	No	Yes	0.650	0.693	0.796	0.770	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	No	0.650	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	Yes	0.650	0.693	0.796	0.770	0.796

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Current

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	Yes	Yes	Yes	No	No	No	0.599	0.701	0.799	0.791	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	No	Yes	0.599	0.701	0.799	0.779	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	No	0.599	0.701	0.799	0.791	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	Yes	0.599	0.701	0.799	0.770	0.799
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	No	0.590	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	Yes	0.590	0.693	0.796	0.770	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	No	0.590	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	Yes	0.590	0.693	0.796	0.770	0.796

\* Note: Only forms being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Proposed

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	Yes	No	No	No	No	No	0.704	0.753	0.867	0.847	0.865
HO-3 / HV-3	Yes	No	No	No	No	Yes	0.704	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	No	No	Yes	No	0.704	0.753	0.867	0.839	0.865
HO-3 / HV-3	Yes	No	No	No	Yes	Yes	0.704	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	No	Yes	No	No	0.697	0.746	0.859	0.839	0.857
HO-3 / HV-3	Yes	No	No	Yes	No	Yes	0.697	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	No	Yes	Yes	No	0.697	0.746	0.859	0.831	0.857
HO-3 / HV-3	Yes	No	No	Yes	Yes	Yes	0.697	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	Yes	No	No	No	0.646	0.753	0.867	0.847	0.865
HO-3 / HV-3	Yes	No	Yes	No	No	Yes	0.646	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	Yes	No	Yes	No	0.646	0.753	0.867	0.839	0.865
HO-3 / HV-3	Yes	No	Yes	No	Yes	Yes	0.646	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	Yes	Yes	No	No	0.638	0.746	0.859	0.839	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	No	Yes	0.638	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	No	0.638	0.746	0.859	0.831	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	Yes	0.638	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	Yes	No	No	No	No	0.689	0.731	0.834	0.821	0.834
HO-3 / HV-3	Yes	Yes	No	No	No	Yes	0.689	0.731	0.834	0.809	0.834
HO-3 / HV-3	Yes	Yes	No	No	Yes	No	0.689	0.731	0.834	0.821	0.834
HO-3 / HV-3	Yes	Yes	No	No	Yes	Yes	0.689	0.731	0.834	0.800	0.834
HO-3 / HV-3	Yes	Yes	No	Yes	No	No	0.680	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	No	Yes	0.680	0.723	0.826	0.800	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	No	0.680	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	Yes	0.680	0.723	0.826	0.800	0.826

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Proposed

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	Yes	Yes	Yes	No	No	No	0.629	0.731	0.829	0.821	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	No	Yes	0.629	0.731	0.829	0.809	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	No	0.629	0.731	0.829	0.821	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	Yes	0.629	0.731	0.829	0.800	0.829
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	No	0.620	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	Yes	0.620	0.723	0.826	0.800	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	No	0.620	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	Yes	0.620	0.723	0.826	0.800	0.826

\* Note: Only forms being changed are shown.



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Roof Covering Factors

Current

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Corrugated Steel - Metal	0.950	1.000	1.000	1.000	1.000

Proposed

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Corrugated Steel - Metal	1.050	1.100	1.100	1.100	1.100

\* Note: Only factors being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Table of Contents**

	Explanatory Memorandum
	Actuarial Memorandum
Exhibit 1	Statewide Rate Level Indication Summary
Exhibit 2	Statewide Rate Level Indication
Exhibit 3	Trended Premiums at Current Rates and Trended Ultimate Losses
Exhibit 4	Premium Trend
Exhibit 5	Loss Trend
Exhibit 6	Loss Development
Exhibit 7	Unallocated Loss Adjustment Expense Factor
Exhibit 8	Catastrophe Losses
Exhibit 9	Expenses and Permissible Loss & LAE Ratios
Exhibit 10	Calculation of Underwriting Profit
Exhibit 11	Revision to Base Rates
Exhibit 12	Revision to Loss Free Discount Factors
Exhibit 13	Revision to Account Discount Factors
Exhibit 14	Revision to Roof Covering Factors

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Explanatory Memorandum**

Summary of changes

With this filing, we are proposing an overall impact of +9.83% for the Arkansas Quantum Homeowners and High Value Homeowners product. This proposal will include revisions to the following: Loss Free Discount factors, Account Discount factors, Roof Covering factors and base rates by peril and form. Please note that no policy will receive an impact greater than 25.00%.

The impact by form is listed below:

Policy Form	Rate Impact
Dwelling	9.90%
Tenant	9.90%
Total	9.83%

Rule of Application

This change applies to all new business issued and effective on or after 07/11/2014 and to all renewals issued on or after 08/30/2014 and effective on or after 08/30/2014.

In an effort to improve and update our indications process we are proposing the following changes to methodology and data.

Installment Fees

Installment fees are now incorporated in the indicated rate change calculation and are shown in Exhibit 9.

Calculation of Underwriting Profit (formerly Investment Income)

Exhibit 10 has been reconstructed to improve readability, with detailed calculations moved to the Explanatory Notes, labels clarified, and data sources noted. There are some methodology changes as well: A) The deduction for Delayed Remission of Premium on Page 3 is now calculated using the line-specific ratio of Agents' Balances in the course of collection to Unearned Premium Reserve, on a Direct basis. Previously we used the corporate-wide ratio of agents' balances in the course of collection to Earned Premium, on a Net basis. The change in components brings more accuracy, and the Direct basis matches the basis of the Unearned Premium Reserve. B) The Federal Income Tax Provision on Page 5 is now calculated as the average of the tax rates of the last three years, rather than only the last year, to produce a more stable result over time. In addition, the Net Investment Income and Dividends from Affiliates in this provision have been restated for consistency with our published statutory data. C) The calculation of the Average Rate of Return on Page 5 and the Deduction for Delayed Remission of Premium on Page 3 are now calculated as the straight average of the ratios for each of the three years, rather than one ratio based on three years of combined data, to give each year equal weight.

Unallocated Loss Adjustment Expenses (ULAE), and Calculation of Underwriting Profit

The countrywide data in Exhibit 7 (ULAE), and on pages 2-4 in Exhibit 10 (Underwriting Profit) have been revised to include additional data now available as a result of internal financial reporting changes.

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Actuarial Memorandum**Summary of Methodology

A rate level indication is a test of the adequacy of expected revenues compared to expected costs during the period for which the proposed rates will be in effect. Premiums from the historical experience period are brought to the current rate level by the parallelogram method and additionally adjusted for other trends in average premiums over time. Losses and Allocated Loss Adjustment Expense (ALAE)<sup>1</sup> are adjusted to account for expected development and other trends over time. Losses and ALAE are further adjusted to account for expected Unallocated Loss Adjustment Expense (ULAE)<sup>2</sup>. All catastrophe losses and ALAE during the experience period are excluded and replaced with a provision that represents the expected level of these. Finally, expenses and the target profit provision are determined and combined with the above to calculate the indication. These data elements are specific to state and form unless otherwise noted. Details are provided below.

**Experience**Experience Period Data – Exhibit 3

Calendar year earned premiums and accident year incurred losses and ALAE are used in the indication. Premiums are on a direct basis. Losses and ALAE in this exhibit exclude those arising from catastrophes. Five years of experience ending March 31, 2014 are used. Losses are evaluated as of March 31, 2014.

Premium Trend – Exhibit 4

Premium trend reflects distributional shifts over time in policy variables such as amount of insurance, deductible, territory, etc. The trend data consists of five years of average annual Earned Premium at Current Rate Level (EPCR). A two-step trending procedure is used. Historical and prospective annual premium trends are selected considering the data. Factors are calculated to account for both the selected historical trend from the midpoint of each experience period to the midpoint of the last calendar year of premium trend data, and the selected prospective trend from that date to the average earned date underlying the proposed rates.

Loss Trend – Exhibit 5

The loss trend data consists of five years of non-catastrophe, calendar year paid losses and ALAE for both the Travelers and ISO Fastrack data. Each row in the table represents the average of 12 months of data ending on the date shown. This is done to account for known seasonal variations within a 12-month period. Similar to the method utilized in the Premium Trend exhibit, a two-step trending procedure is used. Historical and prospective annual trends for frequency and severity are selected considering the data. Factors are calculated to account for both the selected historical trends from the midpoint of each experience period to the midpoint of the last calendar year of loss trend data, and the selected prospective trend from that date to the average loss date underlying the proposed rates.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Actuarial Memorandum**

Loss Development Factors (LDFs) – Exhibit 6

Losses and ALAE are developed to their expected ultimate paid value by applying LDFs. These factors use loss and ALAE data to calculate historical age-to-age link ratios that represent loss and ALAE development between different evaluation periods. Factors are selected considering the data.

Unallocated Loss Adjustment Expenses (ULAE) – Exhibit 7

Losses and ALAE are adjusted to account for expected ULAE. A provision is developed using three years of the Travelers countrywide, line-specific, calendar year paid data. The ratio of ULAE to net paid losses and ALAE is calculated for each year. The final selection is made using weights that mitigate the impact of extraordinary catastrophe losses in 2011.

Experience Loss & LAE Ratios – Exhibits 2 and 3

Premiums and losses are adjusted by the factors noted above. The Loss & LAE Ratio for each year is calculated by dividing the Trended Ultimate Losses & LAE by the Trended EPCR. Accident Year Weights are applied to determine the Weighted Loss & LAE Ratio.

**Catastrophe Provision**

Catastrophes are low frequency, high severity events whose average impact cannot always be fully and reasonably captured in a short experience period. Therefore, to properly account for the catastrophe hazard and maintain a degree of stability, it is necessary to eliminate actual catastrophe losses and ALAE from the experience period and to include a catastrophe provision which represents expected catastrophe losses and ALAE.

An event is categorized as a catastrophe according to the Insurance Services Office (ISO) definition. ISO defines a catastrophe as an occurrence such as a hailstorm, windstorm, tornado, hurricane, winter storm, wildfire, earthquake, etc., which results in insured property losses of \$25M or more (\$5M for experience years before 1997) and affects a significant number of policyholders and insurers.

Non-Hurricane Catastrophe Losses – Exhibit 8

A non-hurricane catastrophe adjustment factor called the Weighted Catastrophe Loss Multiplier (WCLM) is applied to the non-catastrophe Loss & LAE Ratio to produce the Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio. The factor is selected based upon the long term (1994-2013) observed overall ratio of the Travelers historical non-hurricane catastrophe losses to non-catastrophe losses. This loss history contains all homeowners forms combined, as it is not readily available by form for all of those years.

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Actuarial Memorandum****Expenses And Profit – Exhibits 9 and 10**

Expenses are specific to each line of business. Fixed Expenses include Other Acquisition and General Expenses, and Installment Fees. Variable Expenses include Commissions as well as Taxes, Licenses and Fees. All expense provisions in Exhibit 9 are determined based on data that reconciles with the company's financial statements. The Other Acquisition and General Expenses are countrywide for all Travelers Personal Insurance writing companies, whereas the Variable Expenses and Installment Fees are state-specific for the writing companies in this filing. Exhibit 10 provides the details that support the selection of the Target Before-Tax Underwriting Profit.

The Variable Expenses and Profit Margin are subtracted from 100% to yield the Permissible Loss, LAE and Fixed Expense Ratio. All expenses and the Profit Margin are subtracted from 100% to yield the Permissible Loss & LAE Ratio.

**Indicated Rate Level Change – Exhibit 2**Credibility

The full credibility standard is 18,750 earned house years for Dwelling and 3,750 earned house years for Tenant. Credibility is calculated by dividing the total earned house years in the experience period by the full credibility standard, taking the square root, and capping the result at 1.00.

Complement of Credibility

The complement of credibility is the Trended Permissible Loss & LAE Ratio. The formula for this complement is shown at the bottom of the exhibit; the calculation applies net prospective trend to the Permissible Loss & LAE Ratio for the time period between the effective date of the most recent approved filing and the proposed effective date of the current filing.

Indication

The Total Loss & LAE Ratio is credibility weighted with the Trended Permissible Loss & LAE Ratio to produce the Credibility Weighted Loss & LAE Ratio. This ratio, plus Fixed Expenses, is divided by the Permissible Loss, LAE and Fixed Expense Ratio to produce the Indicated Rate Level Change.

<sup>1</sup> ALAE corresponds to Defense and Cost Containment (DCC) expenses in our statutory financial reporting.

<sup>2</sup> ULAE corresponds to Adjusting and Other (AAO) expenses in our statutory financial reporting.

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
 TRAVELERS COMMERCIAL INSURANCE COMPANY

**Statewide Rate Level Indication Summary**

<u>Policy Forms</u>	Accident Year Ending 03/31/2014 <u>EPCR</u>	Indicated Rate Level <u>Change</u>	Proposed Rate Level <u>Change</u>
Dwelling	25,920,620	18.20%	9.90%
Tenant	527,040	52.43%	9.90%

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Statewide Rate Level Indication

Dwelling Policy Forms

Accident Year Ending 03/31	Earned House Years	Trended EPCR	Trended Ultimate Loss & LAE	Incurred Claim Count	Accident Year Weights	Projected Loss & LAE Ratio
	(1)	(2)	(3)	(4)	(5)	(6) = (3) / (2)
2010	14,241	19,824,509	14,365,190	1,115	16%	72.5%
2011	18,725	26,269,377	13,783,999	927	21%	52.5%
2012	19,225	27,098,095	12,148,281	1,085	22%	44.8%
2013	18,286	25,661,672	10,717,642	1,049	21%	41.8%
2014	17,673	24,597,547	10,316,924	763	20%	41.9%
(7) Weighted Loss & LAE Ratio = sum [(5) x (6)]						49.6%
(8) Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio = (7) x WCLM						69.5%
(9) Credibility= [(1) / 18,750] ^ 0.5, cap result at 1.00						100.0%
(10) Trended Permissible Loss & LAE Ratio						61.8%
(11) Credibility Weighted Loss & LAE Ratio = (8) x (9) + (10) x [1.0 - (9)]						69.5%
(12) Permissible Loss, LAE and Fixed Expense Ratio						66.7%
(13) Indicated Rate Level Change = [(11) + (FE)] / (12) - 1.0						18.20%
(14) Proposed Rate Level Change						9.90%

Notes:

(8) WCLM = Weighted Catastrophe Loss Multiplier, from Exhibit 8

(10) Trended Permissible Loss & LAE Ratio =  
Permissible Loss & LAE Ratio  
x [(1.0 + Frequency Trend) x (1.0 + Severity Trend) / (1.0 + Premium Trend)]  
^ [(Effective Date - Prior Effective Date) / 365]

(13) FE = Fixed Expense, from Exhibit 9



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Statewide Rate Level Indication

Tenant Policy Forms

Accident Year Ending 03/31	Earned House Years	Trended EPCR	Trended Ultimate Loss & LAE	Incurred Claim Count	Accident Year Weights	Projected Loss & LAE Ratio
	(1)	(2)	(3)	(4)	(5)	(6) = (3) / (2)
2010	1,653	478,061	362,957	38	16%	75.9%
2011	2,087	602,676	505,080	44	21%	83.8%
2012	2,386	695,643	285,361	44	24%	41.0%
2013	2,093	591,138	343,367	55	21%	58.1%
2014	1,791	523,678	411,681	36	18%	78.6%
(7) Weighted Loss & LAE Ratio = sum [(5) x (6)]						65.9%
(8) Non-Hurricane Catastrophe-Adjusted Loss & LAE Ratio = (7) x WCLM						92.4%
(9) Credibility= [(1) / 3,750] ^ 0.5, cap result at 1.00						100.0%
(10) Trended Permissible Loss & LAE Ratio						58.2%
(11) Credibility Weighted Loss & LAE Ratio = (8) x (9) + (10) x [1.0 - (9)]						92.4%
(12) Permissible Loss, LAE and Fixed Expense Ratio						66.7%
(13) Indicated Rate Level Change = [(11) + (FE)] / (12) - 1.0						52.43%
(14) Proposed Rate Level Change						9.90%

Notes:

(8) WCLM = Weighted Catastrophe Loss Multiplier, from Exhibit 8

(10) Trended Permissible Loss & LAE Ratio =  
Permissible Loss & LAE Ratio  
x [(1.0 + Frequency Trend) x (1.0 + Severity Trend) / (1.0 + Premium Trend)]  
^ [(Effective Date - Prior Effective Date) / 365]

(13) FE = Fixed Expense, from Exhibit 9

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Trended Premiums at Current Rates and Trended Ultimate Losses**

Dwelling Policy Forms

Accident Year Ending 3/31	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Premiums</b>					
(1) Earned Premium	13,614,356	19,739,959	22,362,629	23,232,381	24,344,401
(2) Earned Premium at Current Rates Factor	1.675	1.497	1.334	1.190	1.065
(3) Earned Premium at Current Rates = (1) x (2)	22,798,973	29,557,847	29,831,286	27,639,383	25,920,620
(4) Premium Trend Factor	0.870	0.889	0.908	0.928	0.949
(5) Trended Earned Premium at Current Rates = (3) x (4)	19,824,509	26,269,377	27,098,095	25,661,672	24,597,547
<b>Losses</b>					
(6) Incurred Losses & ALAE	11,000,409	10,754,444	9,684,871	8,743,750	7,671,792
(7) Loss Development Factor	1.002	1.003	1.002	0.998	1.117
(8) Ultimate Losses & ALAE = (6) x (7)	11,021,935	10,788,584	9,699,443	8,729,190	8,571,715
(9) ULAE Factor	1.124	1.124	1.124	1.124	1.124
(10) Ultimate Losses & LAE = (8) x (9)	12,390,077	12,127,760	10,903,425	9,812,735	9,635,713
(11) Loss Trend Factor	1.159	1.137	1.114	1.092	1.071
(12) Trended Ultimate Losses & LAE = (10) x (11)	14,365,190	13,783,999	12,148,281	10,717,642	10,316,924

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Trended Premiums at Current Rates and Trended Ultimate Losses**

Tenant Policy Forms					
Accident Year Ending 3/31	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Premiums</b>					
(1) Earned Premium	392,887	490,234	577,420	538,990	504,649
(2) Earned Premium at Current Rates Factor	1.427	1.388	1.309	1.147	1.044
(3) Earned Premium at Current Rates = (1) x (2)	560,824	680,433	755,871	618,171	527,040
(4) Premium Trend Factor	0.852	0.886	0.920	0.956	0.994
(5) Trended Earned Premium at Current Rates = (3) x (4)	478,061	602,676	695,643	591,138	523,678
<b>Losses</b>					
(6) Incurred Losses & ALAE	317,331	441,459	249,416	301,215	324,225
(7) Loss Development Factor	1.000	1.000	1.000	0.997	1.110
(8) Ultimate Losses & ALAE = (6) x (7)	317,331	441,589	249,489	300,204	359,930
(9) ULAE Factor	1.124	1.124	1.124	1.124	1.124
(10) Ultimate Losses & LAE = (8) x (9)	356,721	496,403	280,458	337,468	404,608
(11) Loss Trend Factor	1.017	1.017	1.017	1.017	1.017
(12) Trended Ultimate Losses & LAE = (10) x (11)	362,957	505,080	285,361	343,367	411,681

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Premium Trend**

Dwelling Policy Forms

Calendar Year Ending	Average Annual Earned Premium at Current Rates	Annual Change
03/31/2010	1,600.90	
03/31/2011	1,578.49	-1.4%
03/31/2012	1,551.72	-1.7%
03/31/2013	1,511.49	-2.6%
03/31/2014	1,466.67	-3.0%
Fitted Annual Trend 5 point	-2.2%	
Selected Historical Annual Trend	-2.2%	
Selected Prospective Annual Trend	-3.0%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 9/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Premium Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	0.916	20.9	0.949	0.870
03/31/2011	36	0.937	20.9	0.949	0.889
03/31/2012	24	0.957	20.9	0.949	0.908
03/31/2013	12	0.978	20.9	0.949	0.928
03/31/2014	0	1.000	20.9	0.949	0.949

Notes:

Fitted Annual Trend is calculated using exponential fits

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $(1 + \text{Historical Premium Trend})^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $(1 + \text{Prospective Premium Trend})^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Premium Trend**

Tenant Policy Forms

Calendar Year Ending	Average Annual Earned Premium at Current Rates	Annual Change
03/31/2010	339.19	
03/31/2011	326.05	-3.9%
03/31/2012	316.78	-2.8%
03/31/2013	295.34	-6.8%
03/31/2014	294.25	-0.4%
Fitted Annual Trend 5 point	-3.8%	
Selected Historical Annual Trend	-3.8%	
Selected Prospective Annual Trend	-0.4%	

Factors To Adjust Data Based on a 06/27/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 9/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Premium Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	0.858	20.9	0.994	0.852
03/31/2011	36	0.891	20.9	0.994	0.886
03/31/2012	24	0.926	20.9	0.994	0.920
03/31/2013	12	0.962	20.9	0.994	0.956
03/31/2014	0	1.000	20.9	0.994	0.994

Notes:

Fitted Annual Trend is calculated using exponential fits

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $(1 + \text{Historical Premium Trend})^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $(1 + \text{Prospective Premium Trend})^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Trend

Dwelling Policy Forms

Calendar Year Ending	Frequency (per 100 Exposures)		Severity	
	Travelers	ISO Fastrack	Travelers	ISO Fastrack
03/31/2009		6.14		8,168
06/30/2009	3.36	6.43	14,680	8,143
09/30/2009	5.09	7.16	11,179	7,942
12/31/2009	5.76	6.82	8,545	7,987
03/31/2010	7.93	6.89	7,424	8,032
06/30/2010	8.77	6.88	8,247	8,298
09/30/2010	7.11	6.35	9,017	8,247
12/31/2010	6.57	6.26	9,773	8,281
03/31/2011	6.09	6.26	10,118	8,643
06/30/2011	5.73	6.75	8,970	8,097
09/30/2011	6.07	7.10	9,788	8,200
12/31/2011	6.19	6.96	9,887	8,514
03/31/2012	6.46	6.61	8,823	8,485
06/30/2012	5.98	5.86	9,129	8,859
09/30/2012	5.45	5.50	9,017	8,968
12/31/2012	5.55	5.51	8,036	8,715
03/31/2013	6.55	5.99	7,486	8,199
06/30/2013	6.62	6.02	7,681	8,198
09/30/2013	6.48	5.76	7,148	8,303
12/31/2013	6.00	5.60	8,511	8,232
03/31/2014	4.90		10,436	
Fitted Annual Trend				
20 point	0.9%	-3.6%	-4.9%	1.1%
12 point	-1.5%	-7.0%	-4.5%	-0.6%
8 point	-2.1%	-4.2%	1.5%	-4.0%
4 point	-32.5%	-9.3%	54.9%	1.0%
Selected Historical Annual Trend				
	Frequency		Severity	
	1.0%		1.0%	
Selected Prospective Annual Trend				
	0.0%		4.0%	

Factors To Adjust Data Based on a 07/11/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 09/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Loss Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	1.083	20.9	1.071	1.159
03/31/2011	36	1.062	20.9	1.071	1.137
03/31/2012	24	1.041	20.9	1.071	1.114
03/31/2013	12	1.020	20.9	1.071	1.092
03/31/2014	0	1.000	20.9	1.071	1.071

Notes:

Travelers and ISO Fastrack data are statewide, calendar year, paid losses and ALAE, excluding catastrophes

Fitted Annual Trend is calculated using exponential fits.

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $[(1 + \text{Historical Frequency Trend}) \times (1 + \text{Historical Severity Trend})]^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $[(1 + \text{Prospective Frequency Trend}) \times (1 + \text{Prospective Severity Trend})]^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Trend

Tenant Policy Forms

Calendar Year Ending	Frequency (per 100 Exposures)		Severity	
	Travelers	ISO Fastrack	Travelers	ISO Fastrack
03/31/2009		2.46		3,789
06/30/2009	2.67	2.38	7,240	3,681
09/30/2009	2.40	2.49	8,684	4,172
12/31/2009	2.34	2.48	10,198	4,419
03/31/2010	2.16	2.46	10,086	4,609
06/30/2010	1.82	2.51	8,979	5,130
09/30/2010	2.12	2.59	7,396	5,004
12/31/2010	2.03	2.57	6,400	4,942
03/31/2011	2.09	2.54	7,570	4,986
06/30/2011	2.40	2.64	8,874	4,500
09/30/2011	2.28	2.62	8,929	4,373
12/31/2011	2.06	2.66	9,142	4,498
03/31/2012	1.96	2.63	8,528	4,488
06/30/2012	1.75	2.49	7,268	4,508
09/30/2012	1.61	2.47	8,766	4,501
12/31/2012	1.88	2.54	6,058	4,057
03/31/2013	2.56	2.62	4,947	3,826
06/30/2013	2.62	2.66	4,953	4,350
09/30/2013	2.87	2.58	4,425	4,614
12/31/2013	2.75	2.36	6,805	5,022
03/31/2014	1.90		7,927	
Fitted Annual Trend				
20 point	0.3%	0.7%	-8.8%	1.2%
12 point	6.0%	-1.5%	-16.6%	-1.2%
8 point	24.2%	-1.5%	-7.3%	3.6%
4 point	-33.3%	-13.0%	108.8%	41.9%
Selected Historical Annual Trend				
	Frequency		Severity	
	0.0%		0.0%	
Selected Prospective Annual Trend				
	0.0%		1.0%	

Factors To Adjust Data Based on a 07/11/2014 Effective Date

Experience Period Ending	Historical Trend Period (months)	Factor to Adjust to 09/30/2013	Prospective Trend Period (months)	Factor to Adjust from 09/30/2013 to 06/27/2015	Loss Trend Factor
(a)	(b)	(c)	(d)	(e)	(f)
03/31/2010	48	1.000	20.9	1.017	1.017
03/31/2011	36	1.000	20.9	1.017	1.017
03/31/2012	24	1.000	20.9	1.017	1.017
03/31/2013	12	1.000	20.9	1.017	1.017
03/31/2014	0	1.000	20.9	1.017	1.017

Notes:

Travelers and ISO Fastrack data are statewide, calendar year, paid losses and ALAE, excluding catastrophes

Fitted Annual Trend is calculated using exponential fits.

(b) Duration from the midpoint of each experience period to 09/30/2013, which is the midpoint of the last calendar year of trend data ending 03/31/2014

(c) =  $[(1 + \text{Historical Frequency Trend}) \times (1 + \text{Historical Severity Trend})]^{(b) / 12}$

(d) Duration from the midpoint of the last calendar year of trend data (09/30/2013) to the average earned date underlying the proposed rates (06/27/2015)

(e) =  $[(1 + \text{Prospective Frequency Trend}) \times (1 + \text{Prospective Severity Trend})]^{(d) / 12}$

(f) = (c) x (e)

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

ALL COMPANIES COMBINED

Loss Development

Dwelling Policy Forms

Incurred Losses Including ALAE

Accident Year Ending 03/31	Evaluation Month:									
	12	24	36	48	60	72	84	96	108	120
2005	5,125,683	5,664,292	5,595,136	5,356,947	5,353,631	5,352,919	5,352,919	5,352,919	5,357,814	5,362,724
2006	6,021,288	7,300,051	7,567,320	7,603,461	7,593,986	7,784,155	7,789,934	7,822,558	7,815,033	
2007	9,573,900	9,930,088	9,943,960	9,905,302	9,908,671	9,915,101	9,925,101	9,937,843		
2008	10,147,756	12,308,197	12,128,077	11,848,339	11,902,271	11,776,082	11,776,082			
2009	12,919,014	13,537,045	13,514,790	13,506,444	12,838,129	12,889,987				
2010	13,889,815	17,016,401	16,984,754	16,976,453	17,462,474					
2011	11,854,264	13,133,011	13,054,328	13,083,901						
2012	12,530,413	13,420,393	13,715,006							
2013	9,364,996	11,037,597								
2014	8,851,149									

Development Factors

Accident Year Ending 03/31	Development Period:									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	
2005	1.105	0.988	0.957	0.999	1.000	1.000	1.000	1.001	1.001	
2006	1.212	1.037	1.005	0.999	1.025	1.001	1.004	0.999		
2007	1.037	1.001	0.996	1.000	1.001	1.001	1.001			
2008	1.213	0.985	0.977	1.005	0.989	1.000				
2009	1.048	0.998	0.999	0.951	1.004					
2010	1.225	0.998	1.000	1.029						
2011	1.108	0.994	1.002							
2012	1.071	1.022								
2013	1.179									

Average Development Factors

	Development Period:									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	
All yr avg	1.133	1.003	0.991	0.997	1.004	1.000	1.002	1.000	1.001	
All yr avg excluding Hi/Lo	1.134	1.000	0.995	1.001	1.002	1.000	1.001			
5 yr avg	1.126	1.000	0.995	0.997	1.004					
5 yr avg excluding Hi/Lo	1.119	0.997	0.998	1.001	1.002					
4 yr avg	1.146	1.003	0.995	0.996	1.005	1.000				
4 yr avg excluding Hi/Lo	1.143	0.998	0.999	1.002	1.002	1.000				
3 yr avg	1.119	1.005	1.000	0.995	0.998	1.001	1.002			
Selected LDF	1.119	0.997	0.998	1.001	1.002	1.000	1.000	1.000	1.000	
Cumulative LDF	12 to Ult.	24 to Ult.	36 to Ult.	48 to Ult.	60 to Ult.	72 to Ult.	84 to Ult.	96 to Ult.	108 to Ult.	
	1.117	0.998	1.002	1.003	1.002	1.000	1.000	1.000	1.000	



[illegible]

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

## ALL COMPANIES COMBINED

**Unallocated Loss Adjustment Expense Factor**

## Homeowners

Calendar <u>Year</u>	Paid <u>ULAE</u> (1)	Paid Losses & ALAE (2)	ULAE <u>Factor</u> (3) = 1.0 + (1) / (2)
2010	\$229,584,398	\$1,786,320,178	1.129
2011	\$273,198,476	\$2,764,994,002	1.099
2012	\$272,974,777	\$2,061,810,074	1.132
Selected			1.124

Notes:

Countrywide data, on a Net basis

Selected is an average using weights that mitigate the extraordinary catastrophe losses in 2011

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

## ALL COMPANIES COMBINED

**Catastrophe Losses**  
**Weighted Catastrophe Loss Multiplier**

## All Policy Forms Combined

Calendar Year	Total Incurred Losses	Catastrophe Hurricane Losses	Catastrophe Earthquake Losses	Other Catastrophe Losses	Non-Catastrophe Incurred Losses
	(1)	(2)	(3)	(4)	(5) = (1) - (2) - (3) - (4)
1994	33,681	0	0	0	33,681
1995	45,350	0	0	0	45,350
1996	16,622	0	0	3,250	13,372
1997	94,083	0	0	3,376	90,707
1998	140,013	0	0	21,130	118,883
1999	1,226,638	0	0	247,702	978,936
2000	667,848	0	0	85,139	582,709
2001	928,813	0	0	260,322	668,491
2002	1,322,681	0	0	120,703	1,201,978
2003	2,845,528	0	0	159,373	2,686,155
2004	4,007,483	0	0	301,816	3,705,667
2005	7,590,058	357,668	0	235,707	6,996,683
2006	12,961,298	127,285	0	1,737,918	11,096,095
2007	9,496,630	0	0	607,031	8,889,599
2008	29,256,103	1,756,392	0	10,830,292	16,669,419
2009	21,028,954	259,297	0	9,113,355	11,656,302
2010	18,961,689	6,378	0	2,629,912	16,325,399
2011	31,743,407	530	0	16,728,390	15,014,487
2012	11,882,875	0	0	2,690,266	9,192,609
2013	13,735,932	0	0	1,561,540	12,174,392
20-Year Total	167,985,686	2,507,550	0	47,337,222	118,140,914
(6)	Ratio of Other Catastrophe to Non-Catastrophe Total Losses = (4) / (5)				0.401
(7)	Weighted Catastrophe Loss Multiplier (WCLM) = 1.0 + (6)				1.401

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Expenses and Permissible Loss & LAE Ratios**Fixed Expense

(1) Other Acquisition and General Expenses	10.0%
(2) Installment Fees	-0.6%
(3) Total Fixed Expense = (1) + (2)	9.4%

Variable Expense

(4) Commissions	18.1%
(5) Taxes, Licenses and Fees	3.8%
(6) Total Variable Expense = (4) + (5)	21.9%

(7) Profit Margin	11.4%
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(8) Permissible Loss, LAE and Fixed Expense Ratio = 100% - (6) - (7)	66.7%
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(9) Permissible Loss & LAE Ratio = 100% - (3) - (6) - (7)	57.4%
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ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Summary Exhibit

A.	<u>Direct Earned Premium</u>	<u>Homeowners</u> 23,873,895
B.	<u>Funds Available for Investment from Unearned Premium Reserve</u>	
	1. Direct Mean Unearned Premium Reserve (see Page 2)	12,686,844
	2. Deduction for Federal Taxes (see Page 2)	24,055
	3. Deduction for Prepaid Expenses (see Page 2)	3,405,851
	4. Deduction for Delayed Remission of Premium (see Page 3)	4,181,908
	5. Net Available for Investment = B1 - B2 - B3 - B4	5,075,030
C.	<u>Funds Available for Investment from Loss &amp; LAE Reserve</u>	
	1. Expected Mean Loss & LAE Reserve (see Page 3)	5,718,315
	2. Deduction for Federal Taxes (see Page 4)	(46,934)
	3. Net Available for Investment = C1 - C2	5,765,249
D.	<u>Policyholder Surplus</u> (see Page 5)	20,700,000
E.	<u>Net Available for Investment</u> = B5 + C3 + D	31,540,279
F.	<u>Average Rate of Return</u> (see Page 5)	4.5%
G.	<u>Projected Investment Earnings</u> = E x F	1,425,226
H.	<u>Before Tax Return (% of EP)</u> = G / A	6.0%
I.	<u>Federal Income Tax Provision</u> (see Page 5)	18.6%
J.	<u>After-Tax Return (% of EP)</u> = H x (100% - I)	4.9%
K.	<u>Target After-Tax Total Return (% of EP)</u> (see Page 5)	13.0%
L.	<u>Target After-Tax Underwriting Profit (% of EP)</u> = K - J	8.1%
M.	<u>Target Before-Tax Underwriting Profit (% of EP)</u> = L / 0.65	12.5%
N.	<u>Selected Target Before-Tax Underwriting Profit</u>	11.4%

The Target After-Tax Total Return on earned premium from underwriting and investment activities is 13.0%.

Since the after-tax return on homeowners earned premium from investment earnings is 4.9%, the difference of 8.1% is the projected after-tax underwriting profit. Assuming a tax rate of 35%, the before-tax underwriting profit is 12.5% as a percent of earned premium.

Notes:

A. Direct Earned Premium: State data, Page 14, Column 2, for 2012

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

B. Funds Available for Investment from Unearned Premium Reserve

1. Direct Mean Unearned Premium Reserve	<u>Homeowners</u>
(a) Direct unearned premium reserve as of 12/2011	12,515,020
(b) Direct unearned premium reserve as of 12/2012	12,858,668
(c) Direct mean unearned premium reserve = (a + b) / 2	12,686,844

2. Deduction for Federal Taxes: The Internal Revenue Code allows only 80% of the change in unearned premium reserve as a deduction. The limitation of the deduction is accomplished through an adjustment to statutory income whereby 20% of the unearned premium reserve change is added to statutory income for tax purposes.

$$\text{Deduction} = 0.35 \times 0.20 \times (B1(b) - B1(a)) \quad 0.35 \times 0.20 \times (12,858,668 - 12,515,020) = \quad 24,055$$

3. Deduction for Prepaid Expenses: Production costs and a large part of the other company expenses in connection with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures.

(a) Commissions	18.10%
(b) Taxes, Licenses, and Fees	3.77%
(c) 50% of Other Acquisition	1.72%
(d) 50% of General	3.26%
(e) Total (% of premium)	26.85%

$$(f) \text{ Deduction} = B1(c) \times B3(e) \quad 12,686,844 \times 26.85\% = \quad 3,405,851$$

Notes:

(Data for year 2012 unless noted otherwise)

B1(a,b) State data, Page 14, Column 4

B3(a) [(Base Commission) + (3-Year Average Supplemental Commission)] / (State data, Page 14, Column 1)

Commissions are state data from the financial database that reconciles to Page 14

B3(b) (State data, Page 14, Column 12) / (State data, Page 14, Column 1)

B3(c) Countrywide data from the financial database that reconciles to IEE, Part III, Column 27

B3(d) Countrywide data from the financial database that reconciles to IEE, Part III, Column 29

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

B. Funds Available for Investment from Unearned Premium Reserve (continued)

4. Deduction for Delayed Remission of Premium: The ratio used for the Average Uncollected Balance is the countrywide agents' balances in the course of collection as a percentage of mean unearned premium reserve. This ratio is multiplied by the state mean unearned premium reserve to determine the deduction.

	2010	2011	2012	Average
(a) Direct Agents' Balances	560,513,044	583,022,285	583,798,490	
(b) Direct Mean Unearned Premium Reserve	1,653,096,976	1,776,824,784	1,814,829,010	
(c) Average Uncollected Balance Ratio = a / b	33.9%	32.8%	32.2%	33.0%
(d) Deduction = B1(c) x B4(c) Average	12,686,844 x 33.0% =		4,181,908	

C. Funds Available for Investment from Loss & LAE Reserve

This is determined by multiplying the expected Incurred Loss & LAE by the Mean Loss & LAE Reserve Ratio and deducting for Federal Taxes payable on loss reserves.

1. Expected Mean Loss & LAE Reserve

	2010	2011	2012	Average
(a) Net Paid Loss & LAE	2,015,904,576	3,038,192,478	2,334,784,851	
(b) Net Loss & LAE Reserve as of end of prior year	871,686,526	1,004,857,491	1,118,891,945	
(c) Net Loss & LAE Reserve as of end of year	1,004,857,491	1,118,891,945	1,085,983,309	
(d) Net Incurred Loss & LAE = a + c - b	2,149,075,541	3,152,226,932	2,301,876,215	
(e) Net Mean Loss & LAE Reserve = (b + c) / 2	938,272,009	1,061,874,718	1,102,437,627	
(f) Reserve Ratio = e / d	0.4366	0.3369	0.4789	0.4175
(g) Permissible Loss & LAE Ratio (see Exhibit 9)			57.38%	
(h) Expected Mean Loss & LAE Reserve = A x C1(g) x C1(f) Average	23,873,895 x 57.38% x 0.4175 =		5,718,315	

Notes:

B4(a) Countrywide Homeowners data from the financial database that reconciles to IEE, Part III, Column 21

B4(b) Countrywide Homeowners data from the financial database that reconciles to IEE, Part III, Column 19

C1(a,b,c) Countrywide Homeowners data from the financial database that reconciles to IEE, Part II

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

C. Funds Available for Investment from Loss & LAE Reserve (continued)

2. Deduction for Federal Taxes Payable on Loss Reserves

<u>Year of Loss</u>	<u>Statutory Reserves (Undiscounted)</u>		<u>Tax Reserves (Discounted)</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
2001 & Prior	5,255,933	6,182,829	5,026,607	5,986,060
2002	1,681,435	279,783	1,559,767	266,288
2003	2,373,927	1,508,658	2,088,830	1,406,923
2004	3,362,241	2,154,869	3,045,135	1,913,031
2005	37,871,767	33,769,751	33,886,715	30,839,196
2006	8,988,741	5,501,885	8,086,179	4,964,473
2007	20,933,312	11,429,649	18,828,619	10,306,842
2008	49,103,278	20,424,660	44,272,634	18,297,122
2009	73,375,018	33,010,356	66,272,572	29,689,144
2010	174,671,967	77,995,885	158,428,282	70,809,458
2011	807,686,005	233,816,158	761,283,120	213,683,536
2012		724,206,301		686,745,097
Total	1,185,303,625	1,150,280,785	1,102,778,460	1,074,907,170
			<u>2011</u>	<u>2012</u>
(a) Ratio of Total Tax to Total Statutory Reserves			0.9304	0.9345
(b) Arkansas Homeowners Loss & ALAE Reserve as of 12/2011 x (ULAE Factor)				
6,366,402 x 1.124 =				7,155,836
(c) Arkansas Homeowners Loss & ALAE Reserve as of 12/2012 x (ULAE Factor)				
4,943,483 x 1.124 =				5,556,475
(d) Deduction = $0.35 \times [c - b - (c \times a_{2012}) + (b \times a_{2011})]$				
$0.35 \times [5,556,475 - 7,155,836 - (5,556,475 \times 0.9345) + (7,155,836 \times 0.9304)] =$				(46,934)

Notes:

C2(a) 2012 Federal Tax Return supporting documentation, Countrywide data  
C2(b,c) State data, Page 14, Column 7 and Column 10



ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Calculation of Underwriting Profit  
Explanatory Notes

**D. Policyholder Surplus**

	2010	2011	2012	Average
(a) Year End Property Casualty Policyholder Surplus	19,510,628,060	18,586,650,960	19,317,409,143	
(b) Direct Written Premium	21,541,288,707	22,206,993,630	22,695,957,856	
(c) Premium to Surplus Ratio = b / a	1.10	1.19	1.17	1.15
(d) Direct Earned Premium (see Page 1, Item A)			23,873,895	
(e) Allocated Policyholder Surplus = d / c Average			20,700,000	

**F. Average Rate of Return**

The average rate of return is based on the three-year average ratio of net investment earnings to invested assets.

	2010	2011	2012	Average
(a) Net Investment Income	3,211,248,419	2,749,874,457	2,737,689,177	
(b) Net Realized Capital Gains	(146,038,854)	13,192,798	59,550,223	
(c) Invested Assets	64,670,591,711	62,801,070,216	63,331,666,728	
(d) Average Rate of Return = (a + b) / c	4.7%	4.4%	4.4%	4.5%

**I. Federal Income Tax Provision**

Detailed below is the calculation of the Federal Income Tax rate on Net Investment Income earned for Travelers Property Casualty Corporation. (Dollars are in thousands)

	2010	2011	2012	Average
(a) Net Investment Income (NII)	3,211,248	2,749,874	2,737,689	
(b) Dividends from Affiliates	(197,700)	0	0	
(c) Tax Exempt Interest (TEI)	(1,577,345)	(1,486,899)	(1,404,197)	
(d) 70% Dividends Received Deduction (DRD)	(6,138)	(9,336)	(10,008)	
(e) 42% DRD	(2,059)	(1,845)	(1,833)	
(f) 15% Proration Adj. on TEI and DRD = 0.15 x (c + d + e)	237,526	224,491	211,541	
(g) Other Adjustments	(9,554)	(23,134)	(31,573)	
(h) Taxable NII = a + b + c + d + e + f + g	1,655,978	1,453,151	1,501,619	
(i) Tax on NII = h x 0.35	579,592	508,603	525,567	
(j) Federal Income Tax Rate on NII = i / a	18.0%	18.5%	19.2%	18.6%

**K. Target After-Tax Total Return**

	2012
(a) Target Return on Equity	15.0%
(b) Target Return on Earned Premium = K(a) / D(c) Average	13.0%

**Notes:**

- D(a) Consolidated Annual Statement, Page 3, Line 37  
D(b) Consolidated Annual Statement, Page 8, Line 35, Column 1  
F(a) Consolidated Annual Statement, Page 4, Line 9  
F(b) Consolidated Annual Statement, Page 4, Line 10  
F(c) Mean of current year and prior year:  
[(Consolidated Annual Statement, Page 2, Line 12, Column 3) - (Consolidated Annual Statement Page 2, Line 5 (cash))]  
I(a) Consolidated Annual Statement, Page 4, Line 9  
I(b,c,d,e,f,g) Federal Income Tax Provision

## ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Revision to Base Rates****Current**

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1237.640	117.520	157.210	321.160	43.130
HO-4	237.080	36.080	120.550	20.940	6.650
HV-3	1569.290	157.110	238.320	431.330	58.000

**Proposed**

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1322.140	122.430	168.230	354.460	47.790
HO-4	253.190	41.800	128.490	20.900	7.200
HV-3	1676.440	163.660	255.020	476.580	64.260

\*Note: Only rates being changed are shown.

## ARKANSAS QUANTUM HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY**Revision to Loss Free Discount Factors**

## Current

Loss Free Discount						
Form	Loss Free Years	P1	P2	P3	P5	P6
HO-4	<3	1.000	1.000	1.000	1.000	1.000
HO-4	= or >3 but <5	0.501	0.518	0.447	0.635	0.421
HO-4	=or >5	0.501	0.518	0.447	0.635	0.421

## Proposed

Loss Free Discount						
Form	Loss Free Years	P1	P2	P3	P5	P6
HO-4	<3	1.000	1.000	1.000	1.000	1.000
HO-4	= or >3 but <5	0.526	0.544	0.469	0.667	0.442
HO-4	=or >5	0.526	0.544	0.469	0.667	0.442

\* Note: Only factors being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Current

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	Yes	No	No	No	No	No	0.674	0.723	0.837	0.817	0.835
HO-3 / HV-3	Yes	No	No	No	No	Yes	0.674	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	No	No	Yes	No	0.674	0.723	0.837	0.809	0.835
HO-3 / HV-3	Yes	No	No	Yes	No	No	0.667	0.716	0.829	0.809	0.827
HO-3 / HV-3	Yes	No	No	Yes	No	Yes	0.667	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	No	Yes	Yes	No	0.667	0.716	0.829	0.801	0.827
HO-3 / HV-3	Yes	No	No	Yes	Yes	Yes	0.667	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	Yes	No	No	No	0.616	0.723	0.837	0.817	0.835
HO-3 / HV-3	Yes	No	Yes	No	No	Yes	0.616	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	Yes	No	Yes	No	0.616	0.723	0.837	0.809	0.835
HO-3 / HV-3	Yes	No	Yes	No	Yes	Yes	0.616	0.723	0.837	0.791	0.835
HO-3 / HV-3	Yes	No	Yes	Yes	No	No	0.608	0.716	0.829	0.809	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	No	Yes	0.608	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	No	0.608	0.716	0.829	0.801	0.827
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	Yes	0.608	0.716	0.829	0.791	0.827
HO-3 / HV-3	Yes	Yes	No	No	No	No	0.659	0.701	0.804	0.791	0.804
HO-3 / HV-3	Yes	Yes	No	No	No	Yes	0.659	0.701	0.804	0.779	0.804
HO-3 / HV-3	Yes	Yes	No	No	Yes	No	0.659	0.701	0.804	0.791	0.804
HO-3 / HV-3	Yes	Yes	No	No	Yes	Yes	0.659	0.701	0.804	0.770	0.804
HO-3 / HV-3	Yes	Yes	No	Yes	No	No	0.650	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	No	Yes	0.650	0.693	0.796	0.770	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	No	0.650	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	Yes	0.650	0.693	0.796	0.770	0.796

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Revision to Account Discount Factors**

Current

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	Yes	Yes	Yes	No	No	No	0.599	0.701	0.799	0.791	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	No	Yes	0.599	0.701	0.799	0.779	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	No	0.599	0.701	0.799	0.791	0.799
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	Yes	0.599	0.701	0.799	0.770	0.799
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	No	0.590	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	Yes	0.590	0.693	0.796	0.770	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	No	0.590	0.693	0.796	0.791	0.796
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	Yes	0.590	0.693	0.796	0.770	0.796

\* Note: Only forms being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

Revision to Account Discount Factors

Proposed

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	No	No	No	No	No	No	1.000	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	No	No	No	Yes	1.000	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	No	No	Yes	No	1.000	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	No	No	Yes	Yes	1.000	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	No	Yes	No	No	0.990	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	No	Yes	No	Yes	0.990	0.990	0.990	0.941	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	No	0.990	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	No	Yes	Yes	Yes	0.990	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	No	Yes	No	No	No	0.870	1.000	1.000	1.000	1.000
HO-3 / HV-3	No	No	Yes	No	No	Yes	0.870	1.000	1.000	0.950	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	No	0.870	1.000	1.000	0.990	1.000
HO-3 / HV-3	No	No	Yes	No	Yes	Yes	0.870	1.000	1.000	0.941	1.000
HO-3 / HV-3	No	No	Yes	Yes	No	No	0.861	0.990	0.990	0.990	0.990
HO-3 / HV-3	No	No	Yes	Yes	No	Yes	0.861	0.990	0.990	0.950	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	No	0.861	0.990	0.990	0.980	0.990
HO-3 / HV-3	No	No	Yes	Yes	Yes	Yes	0.861	0.990	0.990	0.940	0.990
HO-3 / HV-3	No	Yes	No	No	No	No	0.950	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	No	No	No	Yes	0.950	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	No	0.950	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	No	No	Yes	Yes	0.950	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	No	Yes	No	No	0.941	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	No	Yes	No	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	No	0.941	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	No	Yes	Yes	Yes	0.941	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	No	No	No	0.850	0.950	0.950	0.950	0.950
HO-3 / HV-3	No	Yes	Yes	No	No	Yes	0.850	0.950	0.950	0.925	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	No	0.850	0.950	0.950	0.941	0.950
HO-3 / HV-3	No	Yes	Yes	No	Yes	Yes	0.850	0.950	0.950	0.920	0.950
HO-3 / HV-3	No	Yes	Yes	Yes	No	No	0.840	0.941	0.941	0.941	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	No	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	No	0.840	0.941	0.941	0.931	0.941
HO-3 / HV-3	No	Yes	Yes	Yes	Yes	Yes	0.840	0.941	0.941	0.920	0.941
HO-3 / HV-3	Yes	No	No	No	No	No	0.704	0.753	0.867	0.847	0.865
HO-3 / HV-3	Yes	No	No	No	No	Yes	0.704	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	No	No	Yes	No	0.704	0.753	0.867	0.839	0.865
HO-3 / HV-3	Yes	No	No	No	Yes	Yes	0.704	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	No	Yes	No	No	0.697	0.746	0.859	0.839	0.857
HO-3 / HV-3	Yes	No	No	Yes	No	Yes	0.697	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	No	Yes	Yes	No	0.697	0.746	0.859	0.831	0.857
HO-3 / HV-3	Yes	No	No	Yes	Yes	Yes	0.697	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	Yes	No	No	No	0.646	0.753	0.867	0.847	0.865
HO-3 / HV-3	Yes	No	Yes	No	No	Yes	0.646	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	Yes	No	Yes	No	0.646	0.753	0.867	0.839	0.865
HO-3 / HV-3	Yes	No	Yes	No	Yes	Yes	0.646	0.753	0.867	0.821	0.865
HO-3 / HV-3	Yes	No	Yes	Yes	No	No	0.638	0.746	0.859	0.839	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	No	Yes	0.638	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	No	0.638	0.746	0.859	0.831	0.857
HO-3 / HV-3	Yes	No	Yes	Yes	Yes	Yes	0.638	0.746	0.859	0.821	0.857
HO-3 / HV-3	Yes	Yes	No	No	No	No	0.689	0.731	0.834	0.821	0.834
HO-3 / HV-3	Yes	Yes	No	No	No	Yes	0.689	0.731	0.834	0.809	0.834
HO-3 / HV-3	Yes	Yes	No	No	Yes	No	0.689	0.731	0.834	0.821	0.834
HO-3 / HV-3	Yes	Yes	No	No	Yes	Yes	0.689	0.731	0.834	0.800	0.834
HO-3 / HV-3	Yes	Yes	No	Yes	No	No	0.680	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	No	Yes	0.680	0.723	0.826	0.800	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	No	0.680	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	No	Yes	Yes	Yes	0.680	0.723	0.826	0.800	0.826

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Revision to Account Discount Factors**

Proposed

Form	Presence of any of the following Travelers policies						P1	P2	P3	P5	P6
	Automobile	PLUS	PAF	Boat or Yacht	Homesaver	Travelers Serviced Flood					
HO-3 / HV-3	Yes	Yes	Yes	No	No	No	0.629	0.731	0.829	0.821	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	No	Yes	0.629	0.731	0.829	0.809	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	No	0.629	0.731	0.829	0.821	0.829
HO-3 / HV-3	Yes	Yes	Yes	No	Yes	Yes	0.629	0.731	0.829	0.800	0.829
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	No	0.620	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	No	Yes	0.620	0.723	0.826	0.800	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	No	0.620	0.723	0.826	0.821	0.826
HO-3 / HV-3	Yes	Yes	Yes	Yes	Yes	Yes	0.620	0.723	0.826	0.800	0.826

\* Note: Only forms being changed are shown.

ARKANSAS QUANTUM HOMEOWNERS AND HIGH VALUE HOMEOWNERS

THE TRAVELERS HOME AND MARINE INSURANCE COMPANY  
TRAVELERS COMMERCIAL INSURANCE COMPANY

**Revision to Roof Covering Factors**

Current

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Corrugated Steel - Metal	0.950	1.000	1.000	1.000	1.000

Proposed

Roof Covering					
Roof Covering	P1	P2	P3	P5	P6
Corrugated Steel - Metal	1.050	1.100	1.100	1.100	1.100

\* Note: Only factors being changed are shown.



NAIC Number:36137

Company Name:Travelers Commercial Insurance Company

Contact Person:Jennifer Graves

Telephone No.:860-277-7775

Email Address:jagraves@travelers.com

Effective Date:7/11/2014

Homeowners Premium Comparision Survey Form

FORM HPCS - last modified August, 2005

USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK

Submit to:Arkansas Insurance Department

1200 West Third Street

Little Rock, AR 72201-1904

Telephone:501-371-2800

Email as an attachment to:insurance.pnc@arkansas.gov

You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$519.00	\$546.00	\$446.00	\$465.00	\$683.00	\$719.00	\$556.00	\$581.00	\$594.00	\$623.00	\$521.00	\$543.00	\$655.00	\$679.00	\$517.00	\$537.00	\$631.00	\$663.00
	\$120,000	\$632.00	\$664.00	\$544.00	\$567.00	\$837.00	\$880.00	\$682.00	\$711.00	\$728.00	\$763.00	\$639.00	\$665.00	\$815.00	\$843.00	\$636.00	\$660.00	\$774.00	\$811.00
	\$160,000	\$753.00	\$790.00	\$635.00	\$660.00	\$975.00	\$1,023.00	\$797.00	\$830.00	\$851.00	\$890.00	\$766.00	\$795.00	\$991.00	\$1,022.00	\$767.00	\$794.00	\$926.00	\$969.00
6	\$80,000	\$545.00	\$695.00	\$467.00	\$578.00	\$718.00	\$919.00	\$583.00	\$729.00	\$625.00	\$788.00	\$545.00	\$677.00	\$686.00	\$838.00	\$541.00	\$665.00	\$663.00	\$842.00
	\$120,000	\$664.00	\$845.00	\$570.00	\$705.00	\$880.00	\$1,123.00	\$715.00	\$891.00	\$767.00	\$964.00	\$669.00	\$827.00	\$854.00	\$1,037.00	\$667.00	\$817.00	\$813.00	\$1,029.00
	\$160,000	\$792.00	\$1,002.00	\$666.00	\$818.00	\$1,026.00	\$1,301.00	\$837.00	\$1,035.00	\$897.00	\$1,120.00	\$803.00	\$987.00	\$1,039.00	\$1,251.00	\$805.00	\$979.00	\$974.00	\$1,226.00
9	\$80,000	\$942.00	\$946.00	\$776.00	\$774.00	\$1,254.00	\$1,260.00	\$985.00	\$984.00	\$1,073.00	\$1,071.00	\$911.00	\$909.00	\$1,131.00	\$1,120.00	\$895.00	\$889.00	\$1,146.00	\$1,149.00
	\$120,000	\$1,151.00	\$1,153.00	\$951.00	\$945.00	\$1,538.00	\$1,540.00	\$1,209.00	\$1,204.00	\$1,318.00	\$1,311.00	\$1,119.00	\$1,113.00	\$1,403.00	\$1,385.00	\$1,103.00	\$1,092.00	\$1,405.00	\$1,405.00
	\$160,000	\$1,370.00	\$1,367.00	\$1,107.00	\$1,096.00	\$1,785.00	\$1,781.00	\$1,409.00	\$1,396.00	\$1,536.00	\$1,521.00	\$1,339.00	\$1,327.00	\$1,697.00	\$1,667.00	\$1,327.00	\$1,308.00	\$1,678.00	\$1,671.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$144.00	\$144.00	\$125.00	\$125.00	\$130.00	\$130.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$142.00	\$142.00
	\$25,000	\$152.00	\$152.00	\$127.00	\$127.00	\$196.00	\$196.00	\$149.00	\$149.00	\$175.00	\$175.00	\$142.00	\$142.00	\$146.00	\$146.00	\$126.00	\$126.00	\$193.00	\$193.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$156.00	\$156.00	\$125.00	\$125.00	\$141.00	\$141.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$154.00	\$154.00
	\$25,000	\$168.00	\$168.00	\$138.00	\$138.00	\$215.00	\$215.00	\$161.00	\$161.00	\$192.00	\$192.00	\$153.00	\$153.00	\$157.00	\$157.00	\$137.00	\$137.00	\$211.00	\$211.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$151.00	\$151.00	\$125.00	\$125.00	\$136.00	\$136.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$149.00	\$149.00
	\$15,000	\$163.00	\$163.00	\$135.00	\$135.00	\$209.00	\$209.00	\$159.00	\$159.00	\$187.00	\$187.00	\$151.00	\$151.00	\$154.00	\$154.00	\$134.00	\$134.00	\$206.00	\$206.00
	\$25,000	\$235.00	\$235.00	\$186.00	\$186.00	\$299.00	\$299.00	\$215.00	\$215.00	\$265.00	\$265.00	\$203.00	\$203.00	\$208.00	\$208.00	\$184.00	\$184.00	\$293.00	\$293.00

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher

Varies by pe

%

Burglar Alarm

Varies by pe

%

Smoke Alarm

Varies by pe

%

Deadbolt Lock

Varies by pe

%

Window Locks

N/A

%

\$1,000 Deductible

Varies by pe

%

Other (specify)

None

N/A

%

Maximum Credit Allowed

None

%

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?

Yes

(yes or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE?

Varies

%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Zone

Highest Risk

\$

2.9

Brick

Lowest Risk

\$

0.61

Frame

\$

2.21

\$

0.4

NAIC Number:27998

Company Name:The Travelers Home and Marine Insurance Company

Contact Person:Jennifer Graves

Telephone No.:860-2777-7775

Email Address:jagrves@travelers.com

Effective Date:7/11/2014

Homeowners Premium Comparision Survey Form

FORM HPCS - last modified August, 2005

USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK

Submit to:Arkansas Insurance Department

1200 West Third Street

Little Rock, AR 72201-1904

Telephone:501-371-2800

Email as an attachment to:insurance.pnc@arkansas.gov

You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$526.00	\$553.00	\$452.00	\$471.00	\$692.00	\$729.00	\$563.00	\$589.00	\$602.00	\$632.00	\$528.00	\$550.00	\$664.00	\$688.00	\$523.00	\$544.00	\$640.00	\$672.00
	\$120,000	\$641.00	\$673.00	\$551.00	\$574.00	\$849.00	\$892.00	\$691.00	\$721.00	\$738.00	\$773.00	\$647.00	\$674.00	\$826.00	\$855.00	\$645.00	\$669.00	\$784.00	\$822.00
	\$160,000	\$763.00	\$800.00	\$643.00	\$669.00	\$989.00	\$1,037.00	\$808.00	\$841.00	\$863.00	\$902.00	\$776.00	\$806.00	\$1,005.00	\$1,036.00	\$778.00	\$805.00	\$938.00	\$982.00
6	\$80,000	\$552.00	\$704.00	\$473.00	\$586.00	\$727.00	\$932.00	\$591.00	\$739.00	\$633.00	\$799.00	\$553.00	\$686.00	\$695.00	\$850.00	\$548.00	\$674.00	\$672.00	\$854.00
	\$120,000	\$673.00	\$857.00	\$578.00	\$714.00	\$892.00	\$1,139.00	\$725.00	\$903.00	\$777.00	\$977.00	\$678.00	\$839.00	\$866.00	\$1,052.00	\$676.00	\$828.00	\$824.00	\$1,044.00
	\$160,000	\$803.00	\$1,016.00	\$675.00	\$829.00	\$1,041.00	\$1,320.00	\$849.00	\$1,050.00	\$910.00	\$1,136.00	\$814.00	\$1,001.00	\$1,054.00	\$1,269.00	\$816.00	\$993.00	\$987.00	\$1,243.00
9	\$80,000	\$955.00	\$959.00	\$787.00	\$785.00	\$1,272.00	\$1,278.00	\$999.00	\$998.00	\$1,089.00	\$1,086.00	\$924.00	\$922.00	\$1,147.00	\$1,136.00	\$907.00	\$902.00	\$1,162.00	\$1,165.00
	\$120,000	\$1,167.00	\$1,169.00	\$964.00	\$959.00	\$1,560.00	\$1,563.00	\$1,226.00	\$1,221.00	\$1,337.00	\$1,330.00	\$1,135.00	\$1,129.00	\$1,423.00	\$1,405.00	\$1,119.00	\$1,108.00	\$1,425.00	\$1,425.00
	\$160,000	\$1,390.00	\$1,387.00	\$1,123.00	\$1,111.00	\$1,811.00	\$1,807.00	\$1,429.00	\$1,417.00	\$1,558.00	\$1,543.00	\$1,359.00	\$1,346.00	\$1,722.00	\$1,691.00	\$1,346.00	\$1,327.00	\$1,703.00	\$1,695.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$146.00	\$146.00	\$125.00	\$125.00	\$132.00	\$132.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$144.00	\$144.00
	\$25,000	\$154.00	\$154.00	\$128.00	\$128.00	\$198.00	\$198.00	\$151.00	\$151.00	\$177.00	\$177.00	\$144.00	\$144.00	\$148.00	\$148.00	\$127.00	\$127.00	\$195.00	\$195.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$158.00	\$158.00	\$125.00	\$125.00	\$142.00	\$142.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$156.00	\$156.00
	\$25,000	\$170.00	\$170.00	\$140.00	\$140.00	\$218.00	\$218.00	\$163.00	\$163.00	\$194.00	\$194.00	\$155.00	\$155.00	\$159.00	\$159.00	\$138.00	\$138.00	\$214.00	\$214.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$153.00	\$153.00	\$125.00	\$125.00	\$138.00	\$138.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$151.00	\$151.00
	\$15,000	\$165.00	\$165.00	\$137.00	\$137.00	\$212.00	\$212.00	\$160.00	\$160.00	\$189.00	\$189.00	\$152.00	\$152.00	\$156.00	\$156.00	\$136.00	\$136.00	\$208.00	\$208.00
	\$25,000	\$238.00	\$238.00	\$189.00	\$189.00	\$303.00	\$303.00	\$217.00	\$217.00	\$268.00	\$268.00	\$206.00	\$206.00	\$211.00	\$211.00	\$187.00	\$187.00	\$297.00	\$297.00

Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher

Varies by pe

%

Burglar Alarm

Varies by pe

%

Smoke Alarm

Varies by pe

%

Deadbolt Lock

Varies by pe

%

Window Locks

N/A

%

\$1,000 Deductible

Varies by pe

%

Other (specify)

None

N/A

%

Maximum Credit Allowed

None

%

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?

Yes

(yes or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE?

Varies

%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Zone

Highest Risk

\$

2.9

Lowest Risk

\$

0.61

Brick

Frame

\$

2.21

\$

0.4

Rule 301.A.1 Factors

Base Rate					
Form	P1	P2	P3	P5	P6
HO-3	1322.140	122.430	168.230	354.460	47.790
HO-4	253.190	41.800	128.490	20.900	7.200
HO-6	49.880	6.650	41.640	214.610	12.540

*Quantum*® High Value Homeowners

**Rule 301.A.1 Factors**

Base Rate					
Form	P1	P2	P3	P5	P6
HV-3	1676.440	163.660	255.020	476.580	64.260
HV-6	118.800	8.930	56.870	291.220	16.840

# ARKANSAS INSURANCE DEPARTMENT

## FORM H-1 HOMEOWNERS ABSTRACT

**INSTRUCTIONS:** All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Travelers Commercial Insurance Company

NAIC # (including group #) 3548-27998

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Travelers sent questionnaires to policyholders whose policy was written prior to January 1, 2005 and Coverage A less than \$600,000. Our results were:

62% of the policyholders who received questionnaires responded

42% of those responding were under insured and

90% of those underinsured accepted the increased coverage

2. If you use a cost estimator (or similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

A Cost estimator is used for new business only to determine appropriate values for new business. It is not possible to estimate the impact of program business because some new homes would have been underinsured and others over insured when issued as new business.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

100% of the Dwelling Replacement Cost using costs associated with actual year built.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

The cost estimating systems furnishes the user with a guide for making general estimates of cost to replace specific types of residential construction. Annual changes are published based on residential cost index for zip codes and territories in Arkansas.

5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	Varies by Peril	%
b. Burglar Alarm	Varies by Peril	%
c. Smoke Alarm	Varies by Peril	%
d. Insured who has both homeowners and auto with your company	Varies by Peril	%
e. Deadbolt Locks	Varies by Peril	%
f. Window or Door Locks	Varies by Peril	%
g. Other (specify)	Varies by Peril	%
		%
		%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.

No

7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
HO-3	\$ 644,527
HO-4	\$ 30,689
HO-6	\$ 1,448

8. Do you write homeowner risks which have aluminum, steel, or vinyl siding? ☒ Yes ☐ No

9. Is there a surcharge on risks with wood heat? Yes

If yes, state the surcharge Varies by Peril

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge \_\_\_\_\_

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Peter Gulbrandsen

Signature

Peter Gulbrandsen

Printed Name

Vice President of Product Management

Title

(860) 277-8172

Telephone Number

PGULBRAN@travelers.com

Email Address

# ARKANSAS INSURANCE DEPARTMENT

## FORM H-1 HOMEOWNERS ABSTRACT

**INSTRUCTIONS:** All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name The Travelers Home and Marine Insurance Company

NAIC # (including group #) 3548-27998

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d. Insured who has both homeowners and auto with your company	Varies by Peril	%
e. Deadbolt Locks	Varies by Peril	%
f. Window or Door Locks	Varies by Peril	%
g. Other (specify)	Varies by Peril	%
		%
		%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.

No

7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
HO-3	\$ 26,644,688
HO-4	\$ 490,579
HO-6	\$ 184,062

8. Do you write homeowner risks which have aluminum, steel, or vinyl siding? ☒ Yes ☐ No

9. Is there a surcharge on risks with wood heat? Yes

If yes, state the surcharge Varies by Peril

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Peter Gulbrandsen

Signature

Peter Gulbrandsen

Printed Name

Vice President of Product Management

Title

(860) 277-8172

Telephone Number

PGULBRAN@travelers.com

Email Address



NAIC Number:

36137

Company Name:

Travelers Commercial Insurance Company

Contact Person:

Jennifer Graves

Telephone No.:

860-277-7775

Email Address:

jagraves@travelers.com

Effective Date:

6/27/2014

Homeowners Premium Comparison Survey Form

FORM HPCS - last modified August, 2005

USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK

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Little Rock, AR 72201-1904

Telephone:

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Email as an attachment to: [insurance.pnc@arkansas.gov](mailto:insurance.pnc@arkansas.gov)

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Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$519.00	\$546.00	\$446.00	\$465.00	\$683.00	\$719.00	\$556.00	\$581.00	\$594.00	\$623.00	\$521.00	\$543.00	\$655.00	\$679.00	\$517.00	\$537.00	\$631.00	\$663.00
	\$120,000	\$632.00	\$664.00	\$544.00	\$567.00	\$837.00	\$880.00	\$682.00	\$711.00	\$728.00	\$763.00	\$639.00	\$665.00	\$815.00	\$843.00	\$636.00	\$660.00	\$774.00	\$811.00
	\$160,000	\$753.00	\$790.00	\$635.00	\$660.00	\$975.00	\$1,023.00	\$797.00	\$830.00	\$851.00	\$890.00	\$766.00	\$795.00	\$991.00	\$1,022.00	\$767.00	\$794.00	\$926.00	\$969.00
6	\$80,000	\$545.00	\$695.00	\$467.00	\$578.00	\$718.00	\$919.00	\$583.00	\$729.00	\$625.00	\$788.00	\$545.00	\$677.00	\$686.00	\$838.00	\$541.00	\$665.00	\$663.00	\$842.00
	\$120,000	\$664.00	\$845.00	\$570.00	\$705.00	\$880.00	\$1,123.00	\$715.00	\$891.00	\$767.00	\$964.00	\$669.00	\$827.00	\$854.00	\$1,037.00	\$667.00	\$817.00	\$813.00	\$1,029.00
	\$160,000	\$792.00	\$1,002.00	\$666.00	\$818.00	\$1,026.00	\$1,301.00	\$837.00	\$1,035.00	\$897.00	\$1,120.00	\$803.00	\$987.00	\$1,039.00	\$1,251.00	\$805.00	\$979.00	\$974.00	\$1,226.00
9	\$80,000	\$942.00	\$946.00	\$776.00	\$774.00	\$1,254.00	\$1,260.00	\$985.00	\$984.00	\$1,073.00	\$1,071.00	\$911.00	\$909.00	\$1,131.00	\$1,120.00	\$895.00	\$889.00	\$1,146.00	\$1,149.00
	\$120,000	\$1,151.00	\$1,153.00	\$951.00	\$945.00	\$1,538.00	\$1,540.00	\$1,209.00	\$1,204.00	\$1,318.00	\$1,311.00	\$1,119.00	\$1,113.00	\$1,403.00	\$1,385.00	\$1,103.00	\$1,092.00	\$1,405.00	\$1,405.00
	\$160,000	\$1,370.00	\$1,367.00	\$1,107.00	\$1,096.00	\$1,785.00	\$1,781.00	\$1,409.00	\$1,396.00	\$1,536.00	\$1,521.00	\$1,339.00	\$1,327.00	\$1,697.00	\$1,667.00	\$1,327.00	\$1,308.00	\$1,678.00	\$1,671.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$144.00	\$144.00	\$125.00	\$125.00	\$130.00	\$130.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$142.00	\$142.00
	\$25,000	\$152.00	\$152.00	\$127.00	\$127.00	\$196.00	\$196.00	\$149.00	\$149.00	\$175.00	\$175.00	\$142.00	\$142.00	\$146.00	\$146.00	\$126.00	\$126.00	\$193.00	\$193.00
6	\$5,000</																		

NAIC Number:

27998

Company Name:

The Travelers Home and Marine Insurance Company

Contact Person:

Jennifer Graves

Telephone No.:

860-2777-7775

Email Address:

jagrves@travelers.com

Effective Date:

6/27/2014

Homeowners Premium Comparison Survey Form

FORM HPCS - last modified August, 2005

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Arkansas Insurance Department

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Little Rock, AR 72201-1904

Telephone:

501-371-2800

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Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$526.00	\$553.00	\$452.00	\$471.00	\$692.00	\$729.00	\$563.00	\$589.00	\$602.00	\$632.00	\$528.00	\$550.00	\$664.00	\$688.00	\$523.00	\$544.00	\$640.00	\$672.00
	\$120,000	\$641.00	\$673.00	\$551.00	\$574.00	\$849.00	\$892.00	\$691.00	\$721.00	\$738.00	\$773.00	\$647.00	\$674.00	\$826.00	\$855.00	\$645.00	\$669.00	\$784.00	\$822.00
	\$160,000	\$763.00	\$800.00	\$643.00	\$669.00	\$989.00	\$1,037.00	\$808.00	\$841.00	\$863.00	\$902.00	\$776.00	\$806.00	\$1,005.00	\$1,036.00	\$778.00	\$805.00	\$938.00	\$982.00
6	\$80,000	\$552.00	\$704.00	\$473.00	\$586.00	\$727.00	\$932.00	\$591.00	\$739.00	\$633.00	\$799.00	\$553.00	\$686.00	\$695.00	\$850.00	\$548.00	\$674.00	\$672.00	\$854.00
	\$120,000	\$673.00	\$857.00	\$578.00	\$714.00	\$892.00	\$1,139.00	\$725.00	\$903.00	\$777.00	\$977.00	\$678.00	\$839.00	\$866.00	\$1,052.00	\$676.00	\$828.00	\$824.00	\$1,044.00
	\$160,000	\$803.00	\$1,016.00	\$675.00	\$829.00	\$1,041.00	\$1,320.00	\$849.00	\$1,050.00	\$910.00	\$1,136.00	\$814.00	\$1,001.00	\$1,054.00	\$1,269.00	\$816.00	\$993.00	\$987.00	\$1,243.00
9	\$80,000	\$955.00	\$959.00	\$787.00	\$785.00	\$1,272.00	\$1,278.00	\$999.00	\$998.00	\$1,089.00	\$1,086.00	\$924.00	\$922.00	\$1,147.00	\$1,136.00	\$907.00	\$902.00	\$1,162.00	\$1,165.00
	\$120,000	\$1,167.00	\$1,169.00	\$964.00	\$959.00	\$1,560.00	\$1,563.00	\$1,226.00	\$1,221.00	\$1,337.00	\$1,330.00	\$1,135.00	\$1,129.00	\$1,423.00	\$1,405.00	\$1,119.00	\$1,108.00	\$1,425.00	\$1,425.00
	\$160,000	\$1,390.00	\$1,387.00	\$1,123.00	\$1,111.00	\$1,811.00	\$1,807.00	\$1,429.00	\$1,417.00	\$1,558.00	\$1,543.00	\$1,359.00	\$1,346.00	\$1,722.00	\$1,691.00	\$1,346.00	\$1,327.00	\$1,703.00	\$1,695.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$125.00	\$125.00	\$125.00	\$125.00	\$146.00	\$146.00	\$125.00	\$125.00	\$132.00	\$132.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$144.00	\$144.00
	\$25,000	\$154.00	\$154.00	\$128.00	\$128.00	\$198.00	\$198.00	\$151.00	\$151.00	\$177.00	\$177.00	\$144.00	\$144.00	\$148.00	\$148.00	\$127.00	\$127.00	\$195.00	\$195.00
6																			